No. 34,386

PARIS, SATURDAY-SUNDAY, SEPTEMBER 18-19, 1993

Clinton Calls on China Not to Stage Atom Test Blast Would Be First in Nearly a Year

The Associated Press

WASHINGTON — President Bill Clinton urged China on Friday to "step away" from a reported plan to resume nuclear-weapons testing, saying that the Chinese had nothing to fear from any of the world's other nuclear powers.

"I'm very hopeful that the Chinese will not do that," he said at a news conference after U.S. intelligence agencies concluded that China was preparing to conduct its first underground nuclear test in nearly a year at its remote test site

Asked how the United States would respond if China detonated a weapon, the president said, "I don't want to cross any more bridges." "I would hope the Chinese would see their future in terms of economic strength and step away from this," be said. "There is no reasonable threat to China from any other nuclear

R. Jeffrey Smuth of The Washington Post reported earlier from Washington: The assessment by U.S. intelligence agencies is based on classified reconnaissance satellite photographs of Lop Nor, China's longtime nuclear-weapons development center, indicating that Chinese engineers recently lowered a weapon down a deep shaft in one of the final preparations for a nuclear blast, senior officials

Although U.S. government analysts have concluded that the weapon could be detonated at any time, they expect China to defer the test until after the International Olympic Commit-

tee announces Thursday whether to hold the 2000 Summer Games in Beijing, the officials

China is eager to play host to the games and wants in avoid doing anything that might harm its chances, the officials said. But they predicted that the test would be held within several

The U.S. Embassy in Beijing has told the government that any Chinese nuclear blast would undermine progress toward disarma-ment, the officials said. Washington has also organized vigorous private protests from "a large number" of countries in Europe and Asia that want to preserve the worldwide moratorium on nuclear tests, according to a senior American official.

A Chinese test could create a political dilemma for President Clinton, who said in a July 3 radio address outlining the U.S. commitment to nuclear-testing moratorium that if it was "broken by another nation, I will direct the Department of Energy to conduct additional tests while seeking approval to do so from

But word of the Chinese test preparations has provoked substantial debate within the administration over whether Mr. Clinton's promise should be fulfilled, officials said. Some bers of Congress have warned that Capitol

Hill will not support new U.S. tests unless the See TEST, Page 5 Beijing Floats a Threat To Skip '96 Olympics

MONTE CARLO — China's top Olympic official refused Friday to say that Chinese athletes would actually go to the 1996 Games in Atlanta, but he ruled out a formal boycott

of the 1996 Olympiad. He Zhenliang, the head of China's National Olympic Committee, was repeatedly asked at a news conference to confirm that China would compete in Atlanta if Beijing was not

awarded the Games for the year 2000. The official was questioned after Zhang Baifa, executive deputy mayor of Beijing and the head of Beijing's bid committee, said earlier Friday that China could decide on a boycott as "revenge" for U.S. congressional exposition to Reijing's candidacy for the Olympics in 2000.

The U.S. House of Representatives approved a resolution in July urging a rejection of Beijing's bid because of China's humanrights record. Sixty senators also have come out against China's candidacy.

Mr. Zhang made his comments as a Chinese delegation of nearly 200 arrived in Monte Carlo to support the bid and as the International Olympic Committee's executive board opened a four-day meeting there.

The IOC is to select the host city on Thursday. Beijing is considered to he one of the top contenders. Berlin, Istanbul, Manchester

England, and Sydney are the other candi-

In Beijing, a bid committee spokesman, He Zhengwen, said Mr. Zhang's comments were "definitely not the position of the Beijing Olympic bid committee." But in Monte Car-lo, other Chinese officials refused to rule out boycott,

But Mr. He, who is also vice president of the International Olympic Committee, dis-missed the apparent boycott threat as "unfortunate rumors based on what I believe was an erroneous interpretation of a statement."

"There will be no boycott," he said. "The question of a boycott is a nonquestion."

But Mr. He appeared determined to leave open the possibility of nonparticipation. Despite being pressed half a dozen times, he refused to say outright that Chinese athletes would actually go to Atlanta.

Mr. Zhang's words about a boycott seemed who fear a return to the darker days of the Olympic movement. The 1976 Montreal Games, the 1980 Moscow Games and the 1984 Los Angeles Games all were hit by political boycotts.

Mr. Zhang said a possible boycott of the 1996 Games had first been proposed by a See CHINA, Page 19



Racist's Election Victory Riles Britain

By Eugene Robinson

Washington Post Service

LONDON — Political leaders and others said Friday that they feared that anti-foreigner sentiment in Britain was hardening, particular-ly in some low-income communities, after an openly racist candidate who calls for the forced deportation of all nonwhites won a local election in London's East End.

By just a seven-vote margin, Derek Beackon of the far-right British National Party defeated candidates from the three major parties to repesent residents of an East End neighborhood called Millwall.

In a rare comment on an election result, the Archbishop of Canterbury, George Carey, who was raised in East London, decried the "evil politics of race" and said that they "undermine the peace and stability of our democracy and create nothing but hatred, fear and conflict." Christians should "condemn and resist racism by all lawful means," said Archbishop Carey, leader of the Anglican Church.

The announcement of the vote set off clashes between groups of skinhead British National Party supporters and outraged anti-racism ac-

Ordinarily the outcome of a council election in an obscure part of London would hardly rate a mention, but Mr. Beackon's victory made the front pages and dominated news broadcasts. It was the first time any candidate from the party had been elected to public office, and the victory gave the group a legitimacy that made the political establishment uneasy.

Mr. Beackon, 47, ran on the party of "rights for whites" and forced deportation of all blacks, Indians and other Asians.

"The British people are no longer prepared to he treated as second-class citizens in their own country," be said Thursday night.

Mr. Beackon's election was immediately re-

pudiated by the government and the major opposition parties.
"I think it was an unfortunate result and I want to make it clear that there is no place in our society for these sort of policies," Prime Minister John Major said. "I hope it will not be

Home Secretary Michael Howard said he "deplored" the outcome, while Environment Secretary John Gummer called Mr. Deackon's group "2 thereughly nasty party" that no "honest or responsible people can support."

Speaking for the Labor Party, Tony Blair, a member of Parliament, said it was "a deeply depressing day for democracy." Paddy Ash-down, leader of the Liberal Democrats, said he

The election came just a week after a Bangladeshi youth was beaten into a coma by a group of whites in another part of the East End. The attack provoked three days of often-violent racial confrontations.

In the last four years the number of racial attacks reported annually in Britain has almost doubled, reaching 7,993 in 1992. The increase

See BRITAIN, Page 5

43,000 Jobs Will Be Cut By German **Auto Giant**

ESTABLISHED 1887

Daimler-Benz Plunges To First Loss but Vows To Save 8 Billion DM

By Brandon Mitchener

International Herald Tribune
FRANKFURT — Daimler-Benz AG, Germany's biggest industrial group, said Friday that it would slasb 43,000 people from its payroll worldwide by the end of next year, as i reported its first operating loss ever just ahead of a crucial debut on Wall Street.

Daimler, parent company of Mercedes-Benz cars and trucks, said it would take drastic action to internationalize and improve its efficiency over the next several years. It said that among other measures, it would consider clos-ing certain factories in Germany.

"If we are to remain competitive with a

German base, there can and will not be any taboos or sacred cows," Daimler's chairman Edzard Reuter, said in announcing measures to wring 8 billion Deutsche marks (\$5 billion) in savings from the company's sprawling automo-tive, electronics and aerospace operations by

The measures foresee some of the deepest job cuts in postwar German history, including 35,000 in Germany and 8,000 elsewhere in 1993 and 1994, Mr. Reuter said. The elimination of jobs, mostly through early retirement and attri-tion, amounts to a 20 percent payroll reduction in Germany and 10 percent worldwide, Daim-ler officials said.

Mercedes-Benz, the division that has customarily been the pillar of Daimler's profits and thus its most sacred of cows, will bear the brunt of the cutbacks. Mercedes recently announced that its payroll alone would shrink by 14,000 next year after a similar contraction this year. Around 75 percent of the planned savings, or 6 billion DM, will come at Mercedes, where sales in the first half of 1993 fell 16 percent to 29.07 billion DM, officials said.

Ontright layoffs, which appear unavoidable, will primarily affect the Deutsche Aerospace division, a Daimler spokesman said.

In a further swipe at Germany's already tattered social fabric, Mr. Reuter refused to rule out the possibility of closing peripheral domes-tic factories in order to transfer production abroad. The threat was clearly aimed at powerful labor unions with which Daimler is currently negotiating both cutbacks and givebacks.

The pressure on workers to accept reductions in pay and benefits has never been greater," said Dagmar Opoczynski, a spokeswoman for IG Metall, the biggest German metalworkers union. Although it says it is aware that German competitiveness has declined, the union blames much of German problems on bad management.

The announcements on Friday came two weeks before Daimler is to become the first

German company to list its shares on the New York Stock Exchange. Indeed, in disclosing its first-half results Fri-day, Daimler for the first time applied U.S. accounting standards. The results showed a

See DAIMLER, Page 11

Fundamentalists Deny Claim by PLO of a Truce

Compiled by Our Staff From Dispatch

TUNIS - Palestine Liberation Organization officials asserted Friday that Muslim fundamentalists in the occupied territories had agreed to a truce, but the militants denied the claim and said they were rallying official Arab support to block the peace process with Israel.

The PLO officials said the Muslim fundamentalist movement Hamas had agreed not to attack supporters of the PLO's deal with Israel, and had thus shown that it was willing to act as the democratic and nonviolent opposition to the PLO chairman, Yasser Arafat. But in Jordan, a Hamas representative, Mo-

hammed Nazzal, denied it had reached a truce, although he called on followers in the Israelioccupied territories to avoid inter-Palestinian clashes. "There was no agreement at all between Hamas and the PLO," the official said. "This is

a fabrication by Yasser Arafat, He wants to pretend that he has good relations with Ha-The attitude taken by Hamas is crucial because it is the second political force in the territories, after Mr. Arafat's supporters but ahead of leftist opposition groups.

Mr. Nazzal said the move to calm factional

See PLO, Page 5



A young Palestinian trying to sell Yasser Arafat T-shirts to a group of Orthodox Jews passing by in Jerusalem's Old City on Friday.

Clinton Sees Political Role **Increasing in Somalia**

By Gwen Ifill New York Times Service

WASHINGTON - President Bill Clinton defended the United States' involvement in Somalia on Friday and said he was willing to increase the American political presence there rather than withdraw in the face of continuing armed conflict.

Mr. Clinton, who met Friday with Prime Minister Carlo Azeglio Ciampi of Italy, said that the United Nations should not leave Somalia until the government there had been stabi-

"Both of us believe that some renewed political initiative in Somalia is important, because in the end there has to be a political settlement that leaves the Somalis in control of their own destiny," he said at a news conference with Mr.

The trick is how to do it without in any way rewarding the kind of behavior that we have seen that could spread among all the other

warlords who have been essentially playing by the rules and trying to work out a peaceful life for the people whom they represented when everybody was fighting over there."

But Mr. Clinton said that the "political initiative," which he would not detail, would not involve sending additional American troops.

There plainly was never intended to be not could there he some ultimate military solution to Somalia." be said.

Mr. Clinton's statements came at a time when critics, many of them members of Congress, have begun actively questioning the American role in the conflict. General Mohammed Farrah Aidid, the Somali warlord who has emerged as the United Nations' chief foe, has consistently cluded capture, and Iresh reports of uprisings and killings have surfaced almost

"We have agreed that there ought to be a See SOMALIA, Page 2

Kiosk

Cuban Pilot Flies Fighter to Florida

KEY WEST, Florida (Reuters) --- A Cuban MiG-21 jet fighter landed safely at Key West Naval Air Station on Friday after the pilot, a captain in the Cuban Air Force, flew to the United States to defect.

A U.S. Navy spokesman in Norfolk, Virginia, said the pilot was on a training flight when he flew the jet to the naval air station on Florida's southern tip, about 90 miles from Cuba. He said that there was no one

NATO will consider plans to send a 50,000-

U S West plans to cut 9,000 jobs and take a

\$3.8 billion charge against profit. Page 9.

Taiwan stocks jumped after the central bank

carrying any missiles. The pilot was in the custody of U.S. immigration officials.

The last time a Cuban MiG pilot defected was on March 20, 1991, when Major Orested Lorenzo flew an attack bomber into the Boca Chica Naval Air Station in the Keys. Major Lorenzo made a return flight to Cuba last year to pick up his wife and two

17.60

3,613.25

Hillary Clinton is set to take on a prominent



Discount hunting; Geneva's best banks; in-ternational tax solutions. Pages 15-17. Book Review

Page 13.

The Dollar 1.6036 1.5315 1.5323 104.225 5.594 Page 6. Page 6.

General News

role in the health care debate.

strong peace force to Bosnia.

Business / Finance

eased its credit policy.

Money Report

Stale After 25? Japan's Women Have the Last Laugh for wives among women three or four years

By T. R. Reid

TOKYO - Ken met Kumiko at a beach party and fell for her. She was 23, just a year younger than he, and she worked for a small company just as he did. They seemed to get along so well that Ken asked Kumiko for a

"Kumiko-san, I'd like another chance to talk to you, so ... well, ub, please!" he stammered, bowing and holding out his hand. Kumiko bowed back: "I hope you'll forgive me, but ... " That was all she said, but in polite Japan, it was enough. Ken knew instantly that he had been rejected.

Grimacing in pain and embarrassment, Ken span on his heel and trotted away. "Yaaaah, Ken, she really snaked you, pal?"

the television announcer shouted, "Ken! I bet The announcer? How did a television an-

that one really stung! nouncer end up in the middle of this tender moment on the beach?

Fact is, the television personality, Takaaki Ishibashi, was the reason for Ken and Kumiko's romantic interlude. As a host of the Fuji-TV network show "Nermon," Mr. Ishibashi each week sets up situations in which lonely young men can meet women and ask for dates. Then he stands there braying in the background when, as frequently happens, the

As television, it is almost painfully cruel. But as sociology, "Neruton" and the many other matchmaking shows on television here reflect a fundamental power shift on the Japanese front of the global war of the sexes.

"The basic fact for guys like me," said Toshihiro Nakayama, 26, a graduate student, "is that women have the power now. The men are desperate to find a wife, but the women

are in no hurry, and they don't have to be." In government and business offices, Japan is still a man's world. But in matters of the heart and home, Japan's single women are taking direct advantage of a buyer's market for boyfriends.

Census data show that the number of never-married men above age 15 is about 3 million greater than the number of single women. For every 10 bachelors here, there are 8 single women of marrying age. And the women are not particularly interested in mar-

Because of demographic swings a quarter century ago, single men, who normally look younger, have a smaller number of women to choose from.

The main reason for Japanese women's lack of interest in marriage, according to Japan's census office, is that they have more independence than ever before More women can support themselves. For

the first time in history, more than 50 percent of women have jobs outside the home, the government reported last week. Since women's average education level today is higher than men's, many of these female workers have promising futures, as demonstrated by a growing cadre of college-trained career women. A nondiscrimination law passed in 1986

See JAPAN, Page 5

حكذا من الأصل

Russians Threaten Rebels in Georgia With Power Cutoff

defenders for a second day Friday in the regional capital, Sukhumi, ignoring warnings from Russia to halt the offensive or face the conse-

The Georgian president, Eduard A. Shevardnadze, met the Russian defense minister, Pavel S. Grachev, in Adler, in southern Russia near the border with Abkhazia, for talks on the fighting, the Itar-Tass news

Russia gave the separatist forces in Ahkhazia until Friday evening to cease fighting or be deprived of electrical power, the Foreign Min-

Russia will take "other economic measures" if the Abkhazian forces fail to return to positions they held before breaking a Russian-bro-kered cease-fire, the ministry said in a statement carried by Itar-Tass.
Abkhazia is totally defendent on On Inflation in a statement carried by Itar-Tass.

Russia for its electrical power. There was no immediate indica-tion from Abkhazia whether Moscow's threat had been carried out. Georgian troops also came under renewed attack on a second front, with rebels in the Mingrelia region loyal to the former president, Zviad K. Gamsakhurdia, blocking access to the Black Sea port of Poti, the Interfax news agency reported, cit-ing Georgian Interior Ministry of-ficials.

The pro-Gamsakhurdia rebels sent an ultimatum to Toilisi saying government troops defending Poti had to succender or the port would be taken by force, said the head of the rebel forces, Vakhtang Kobalia.

Mr. Gamsakhurdia's forces have closed off access to the port, an important shipping route between Georgia and Armenia, for two days. But government troops have resisted the attack begun Thursday, according to Georgia's Defense

The Mingrelian rebels are fight-



TBILISI, Georgia — Separatist
Abkhazian rebels battled Georgian
defenders for a second day find July peace agreement reached by Tbilisi with the Abkhazian separat-

> The rehel forces have stepped up their campaign against the govern-ment after accusing it of selling out to the Ahkhazians by agreeing to withdraw government troops from

To deal with the Gamsakhurdia uprising, Mr. Shevardnadze persuaded the parliament this week to give him emergency powers, which are to go into effect Monday. (AFP, AP, Reuters)

Yeltsin Ally Urges Fight

MOSCOW — Yegor T. Gaidar, the economic reformist who is scheduled to rejoin the Russian government, called Friday for ur-gent measures to curb inflation and stabilize monetary growth.

Mr. Gaidar, 37, said at a conference of private companies in Rostov that tough action was needed to steady Russia's economy.

"Stabilization will demand tough decisions in the area of state expenditure, foreign economic activities and drastic changes in state purchasing policies," he said, according to ltar-Tass news agency.

The unexpected news Thursday that Mr. Gaidar would rejoin the government Saturday as a deputy prime minister was accompanied by an announcement that Oleg Loboy, a conservative industrialist who runs the Economics Ministry. would be moved to another post.

"One of the main opponents to reform has been removed," said a Western diplomat, "Gaidar's appointment is very, very good news and it will undoubtedly bolster the reformers in the government," he

In December, Mr. Gaidar lost his joh as acting prime minister under heavy conservative pressure. In announcing the new appointment for Mr. Gaidar, President Boris N. Yeltsin said Thursday that he hoped to resolve disputes between conservatives and reformers in gov-

(AFP, Reuters)



A Belgrade resident searching a garbage container for food on Friday.

Fierce Fighting Engulfs Bosnia

SARAJEVO, Bosnia-Herzegovina — Heavy fight-ing raged in the republic on Friday, especially around

The Muslim and Croatian of that was to take effect Saturday.

News of the truce was announced after battles erupted between Muslims and Croats in Mostar, where 55,000 Muslims are encircled by Croatian troops, Muslim-controlled radio reported heavy

The Bosnian Muslim and Croatian commanders undertook to carry out the truce already agreed to by their presidents, which was to start at 1000 GMT on Saturday, a United Nations spokesman said.

They also decided that if Muslim, Serbian and Croatian political leaders sign a peace agreement when they meet in Sarajevo on Tuesday, army commanders will confer the following day on how to bring

In Skopje, Macedonia, the mediator Lord Owen said he expected the leaders of the three warring communities to sign the agreement when they meet in

"I expect that the agreement will be signed on Tuesday," be said after meeting President Kiro Gli-

gorov of Macedonia. "It will be a very difficult agree-

The Muslim and Croatian con the southern city of Mostar, even as government and to release their detainees as soon as possible and to Croatian military commanders ratified a cease-fire disclose information about mines and other obstacles they have planted, a United Nations spokesman said. The commitments were made by General Rasim Delic, commander of Muslim-led Bosnian government forces, and the Croatian commander, Milivoj Petkovic, at a meeting with the head of the UN Protection Force in Bosnia, General Francis

> several fronts. A market in Sarajevo was shelled shortly after noon,

with artiflery and rockets, causing heavy casualties.

The infiltration is part of a plan to sabotage Cro-atian defenses and link up with Muslim forces seeking

tlement now or not at all," one German diplomat said this week. Assuming that the mission of a

peacekeeping force would be to separate Serb, Croat and Muslim military forces from each other along agreed front lines and enforce a cease-fire, American mili-tary commanders in Germany have tentatively earmarked a major unit for duty in Bosnia if a peace agreement is finally reached. That is the 20,000-strong U.S. First Armored Division, based in Bad Kreuznach.

Peace Unit

For Bosnia

Is Studied

By NATO

By Craig R. Whitney
New York Times Service

sadors in Brussels on Wednesday

ance's southern command in Na-

asked for it, has also not yet been decided, according to alliance offi-

The United States has been

pushing for clear and direct com-mand lines under Admiral Jeremy

M. Boorda, an American who is the

exercised by the United Nations.

Cot of France, discussed arrange-

ments last summer that would have

made General Cot the admiral's

deputy if a NATO peacekeeping

force had been sent to Bosnia to try

to put into effect an internationally

The Muslim leader of Bosnia,

President Alija Izetbegovic, agreed

with a Bosnian Serb political leader

Thursday on amendments to a plan that could allow Serbs, Croats and Muslims to divide up the republic

in two years. Mr. Izetbegovic also

wants Serb territorial concessions

that would give the Muslims more

territory and access to the Adriatic

"I think either we'll reach a set-

brokered settlement then.

cials in Brussels.

not belong to NATO.

said Friday.

WORLD BRIEFS

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Leftist Trend Forecast in Polish Vote

WARSAW (Reuters) — Polish commentators were predicting Friday that elections Sunday would produce the first major swing to the left since the Communists lost power in 1989, but they said that it was unclear who would lead the next coalition government and that economic reforms were likely to continue whoever won.

The Democratic Left Alliance, made up of former Communists, and the Polish Peasant Party, which includes former allies of the Communists, led the latest opinioo polls, but neither was expected to win more than 20 percent of the water.

percent of the vote.

Poland was the first country in Eastern Europe to topple its Commu-nist rulers, installing a government led by former activists in the opposi-tion Solidarity movement in 1989 and ending more than four decades of BONN - Plans to send a 50,000-strong NATO peacekeeping force, incloding 25,000 American soldiers, to Bosnia-Herzegovina af-Communist domination. But leftist parties have made gains to opinion polls mainly because of public dissatisfaction over the radical free-market changes the centrist leaders have introduced. ter the fighting stops there will be considered by the alliance's ambas-

Sihanouk Son to Be Cambodia Leader diplomats and military officials

PHNOM PENH (NYT) — Cambodia's two major political parties. agreed Friday that Norodom Ranariddh should be the principal civilian "There's no map yet, and the force's mission hasn't been preciseleader of Cambodia's first postwar government, with his father, Noroly described, but contingency plan-ning is moving forward," a NATO military spokesman at the allidom Sihanouk, restored as king.

The agreement will end an interim arrangement in which Prince Ranariddh, who leads the royalist party that won national elections in May, had shared power equally with Hun Sen, the leader of the rival

political party and the former Cambodian prime minister.

Prince Ranariddh will assume the title of first president, with Mr. Hun Whether the North Atlantic Sen his chief deputy, or second president. Mr. Hun Sen's party came second in the elections. In Beijing, where he is receiving medical treatment, Prince Sihanouk, 70, said he would return to Cambodia on Thursday to promulgate a new constitution. He said he would then return to Beijing for an operation to remove as a "small tumor." Treaty Organization or the United Nations will exercise formal command and control over the force, which would not be sent to Bosnia anyway unless the United Nations

Hanoi Assails U.S. Embargo Renewal

HANOI (AFF) — People's Army Daily denounced what it described as President Bill Clinton's "absurd" decision to ease but not lift the U.S. trade embargo against Vietnam, suggesting on Friday that Washington was trying to bully its former enemy.

"The reason given by the United States for the prolongation of the embargo is absurd," the newspaper said, referring to Mr. Clinton's the demand for "further progress" in accounting for Americans missing in action from the Vietnam War.

The Communist Party daily Nhan Dan was only elightly more diplo-They say they also expect that some soldiers may be provided by Russia and other countries that do

M. Boorda, an American who is the alliance's commander for southern Europe, whereas Britain and France want ultimate control to be on accounting for the missing.

Admiral Boorda and the overall Spain Arrests 2 Lebanese Suspects commander of UN forces in the former Yugoslavia, General Jean

MADRID (AP) - The police said Friday that two Lebanese men who entered Spain as tourists may have been plotting to assassinate Monzer Kassar, the Syrian arms dealer who is free on \$14.8 million bail during investigation of his possible role in the 1985 hijacking of the Italian cruise

The men had been observed staking out places that Mr. Kassar frequents in southern Spain and were carrying a map marked with the location of one of his residences when they were arrested Tuesday near

the Madrid airport, the police said.

Policemen had trailed the suspects, Imad Eddine Mneimne and Jean
Derkhathadorian, since their arrival on Aug. 30 with a tour group from Beirut, Mr. Mneimne's name had surfaced in a police data bank, officers said, prompting surveillance of their movements.

Mother Teresa Stable After Surgery

CALCUTTA (Renters) — Mother Teresa, 83, who underwent surgery to clear a blocked heart vessel, was cheerful and in a stable condition Friday, doctors said.

"Mother Teresa is quite cheerful, her condition is totally stable and everything is normal," said Dr. Tarım Praharaj, a cardiologist at Calcuta's B. M. Birla Heart Research Center. He said that her heartbeat and blood pressure were normal. Surgeons inserted a catheter through an artery on Thursday and used a

balloon-tipped instrument to clear the blockage on the left side of her heart. The Roman Catholic nun, who was awarded the Nobel Peace Prize in 1979, had a close call although the hospital originally said she was admitted for a slight fever and a routine examination.

For the Record

A U.S.-bound Air France Boeing 747 diverted to Shannon, Ireland, on Friday after a bomb threat was received at the airline's Paris offices. After a check it went on to Newark, New Jersey. (Reuters)
A Norwegian court ordered three men who hijacked an airliner to
Norway from Azerbaijan to be held in custody for eight weeks while
authorities decide their fate. (Reuters)

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THE CHURICH OF ST. AUGUSTINE OF CAN-TERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel: 49511.20.66.74.

EUROPEAN BAPTIST CONVENTION

BARCELONA

BARCELONA INTERNATIONAL CHURCH meets at 17:00 at the Bona Nova Baptist Church, Carrer de la Cictet de Belleguer 40. Pastor Clauds Williamson, phone 410-1681 for Information.

BERLIN

INTERNATIONAL BAPTIST CHURCH, BEFLIN. Rotherburg Str. 13, (Stopitz), Bible study 10.45, wostrip at 12.00 each Sunday. Charles A. Warford, Pastor. Tel.: 030-774-4670.

BONN/KÖLN

THE INTERNATIONAL BAPTIST CHURCH OF BONNKOLN, Riveliau Strase 9, Körl. Worship 1:00 p.m. Calvin Hogue, Pastor. Tel.: (02235) 47021.

BREMEN

INTERNATIONAL BAPTIST CHUPCH (English language) meets at Evergelish-Heildrohich Krauzgemeinde, Hoherlohestrasse Hammen-Bose-Str. (around the corner from the Bahnfot) sunday worship 17:00 Emest D. Walter, pastor. Tel. 04791-12897.

BUCHAREST

INTERNATIONAL BAPTIST CHURCH, Strade Pope Puss: 22, 3:00 p.m. Contect Pili Richerdeon, Tel. 010-91-61.

BUDAPEST

International Baptist Policeship. Il Bimbo u. 58 (Main ériteance Tapoicsanyi u. 7, immediately behind front entrance). 10:20 Bible study, 8:00 p.m. Pastor Ben Hatfield, Tel.: 11:58759 & 1158116.

BULGARIA

INTERNATIONAL BAPTIST CHURCH,

Solia, Grand Narodno Sobronie Squera. Wor-ship 11:00. James Duke, Pestor. Tel: 704367.

CELLE/HANNOVER

INTERNATIONAL BAPTIST CHURCH, Priederskirche, Riemannstr. 15, Celle, SS 12-45, Worship 14:00. 30 min. Drive, 20 min. By train from Plannover. Walking dietance from Celle train station, Paster Caude Willemson. Tel.: 05084-75

DARMSTADT

AMSTERDAM CROSSROADS INTERNATIONAL CHUR-CH Interdenominational & Evangelical Sun-day Service 10:30 a.m. / Rids Watcoms. De Cusenstraat 3, S. Amsterdam Info. 02940-Tel: 396-474-35-69. CH Interdenominational & Evangelical Sun-day Service 10:30 c.m. / Nids Welcome, De Cusenstraet 3, S. Amsterdam Info. 02940-15316 or 02503-41399.

FRENCH RIVIERA CORNERSTONE CHRISTIAN FELLOW-SHIP worships at Hotel Omege, Sophla-Antipolis, 16:30 a.m. Sundays; nursery, Sunday achools, tel. 93,65,84,54. LONDON

WINGS OF PRAYER FELLOWSHIP a multi-national ful-gospel church at Shropshire hou-se (3rd Floor) 11-20 Capper St, London WC1 (

MADRID COMMUNITY CHURCH, Worship and Church-School at 11:00 a.m., Padre Damien 34, (August, Orense and Gen. Yague). International, English Speaking, Tel:

MUNICH INTERNATIONAL COMMUNITY CHUR-CHEVEROPICAL Bible Believing, services in English 4:15 p.m. Sundays at Erhaber Sir. 10 (UZ Theresionsh) (089) 93 45 74.

MONTE CARLO RNTL FELLOWSHIP, 9 Rue Louis-Notari, Sunday Worship 11:00 & a p.m. Tel: 92.16.56.00.

PARIS and SUBURBS HOPE INTERNATIONAL CHURCH (Ever-goliza). Sun. 930 a.m. Hotel Oxion. Metro 1: Esplenede de La Défense. Tel.: 47:73.53.54 or47:75.14.27.

SAINT JOSEPH'S CHURCH (Roman Catholic), Matrices Saturdey Evening 6:30 p.m., Sunday, 9:45, 11:00, 12:15 and 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel:422728.58. Metro: Charles de Geulle -Etale.

TOKYO ST. PAUL INTERNATIONAL LUTHERAN CHURCH, noer lidebeshi Sin. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays. TOKYO UNION CHURCH, near Omolesen-do subvey sta. Tel. 3400-0047, Worship ser-vices Sunday 9:30 à. 11:00 a.m., SS at 9:45 a.m.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

FLORENCE ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellei 9, 50123, Florence, Italy. Tel: 3955 29 44 17.

FRANKFURT CHURCH OF CHRIST THE KING (Episcopel/Argicen) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nussay 10x6 a.m. Sebastian Pinz St. 22, 60323 Franticut, Germany, U1, 2, 3 Miquel-Alice, Tel.: 4959 55 01 84.

GENEVA ENMANUEL CHURCH, 1st, 3rd & 5th Sun. 10 a.m. Eucharist & 2nd & 4th Sun. Morning Prayer, 3 rue de Monthoux, 1201 Geneve, Swit-zefand, Tel.: 41/22 732 80 78.

MUNICH THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Seybofistasse 4, 81545 Munich 90, Germany. Tel.: 49:89 611 55:20.

PARIS THE AMERICAN CATHEDRIAL OF THE HO-LY TRINITY, Sun. 9 & 11 a.m. 10 a.m. Sun-day School for children and Nursery care. 23, avenue George V. Paris 75/08. Tel: 33/1 47 20 17 82. Matro: George V or Alma Mascaeu. DAPMSTADT/EBERSTADT BAPTIST MIS-SION. Bible study & Worship Sunday 10:30 a.m. Stadimission Da-Eberstadt, Busechalat. 22, Bible study 9:30, worship 10:45. Paetor Jim Wabb. Tel: 06:155-8009218.

But the pledges contrasted with fierce fighting on

killing at least two people.

In the Mostar fighting, Sarajevo radio reported that the Croatian Defense Force attacked Muslim districts A Croatian spokesman reported an exchange of artillery and small-arms fire, and said Muslim guerril-la groups had infiltrated the Croat-held part of

to force a corridor to the Adriatic, the spokesman said. (AFP, Reuters, AP)

DÜSSELDORF

FRANKFURT

HAMBURG

HOLLAND

TRINITY BAPTIST S.S. 930, Worship 1030, nursery, warm fellowship. Meets at Sloemcamptaan 54 in Wassennar. Tal: 01751-78024.

MUNICH

INTERNATIONAL BAPTIST CHURCH OF MUNICH, Hobsir. 9 English Language Services. Bible study 1800. Worship Service 17:00. Pastor's phone: 6908534.

OSLO

PARIS and SUBURBS

WUPPERTAL

ZURICH

INTERNATIONAL BAPTIST CHURCH of Wilderswif (Zhich), Swizerland, Rosenberg-strasse 4. Worship Services Sunday mornings 11:00. Tel: 1-7002612.

EUROPEAN

UNITARIAN UNIVERSALISTS

UNITARIAN UNIVERSALIST followship contacts in Guappe include: BARCELONA: (03) 3149154, IRRUSSELS: Tel. (02) 6900226.

FRANKFORT/WESEADEN: (0611) 719461.

INTERNATIONAL BAPTIST CHURCH. English. s.s. 10:00, worship 11:05. Children's church and russery. Meets at the international School, Lauchtenburger Kirchweg 2.D-Kaiserswerth. Friendly fellowship. All denominations welcome. Dr. W.J. Delay, Pastor. Tel.: 0211/400 157. LONDON: (081) 891-0719. MEPROIN: (0821) 47-2486. NETHERLANDS: (073) 408208.

INTERNATIONAL CHRISTIAN FELLOW-SHIP Evengelisch-Freitrichliche Gemeinde, Sodenesst. 11-18, 6380 Bad Homburg, pho-ne: 06134-23278 or 06198-643360 serving the Frankfut and Taxuss arees, Gemeny, Sunday worship 09:45, nursery + Sunday-school 10:00, women's circle - Fridey 08:20. Housegroup - Sunday + Wednasdey 18:20. Pastor M. Levey, member European Baptist Cohvertion. "Declare His glory amongst the nations."

AMERICAN CHURCH IN BERLIN, cor. of Clay Ales & Poisdamer Sr., S.S. 9:30 a.m., Worship 11 a.m. Tel: 030-8132021.

BETHEL INTERNATIONAL BAPTIST CHURCH, Am Dachsberg 92, Frankurt a.M. Sunday worstip 11:00 a.m. and 6:00 p.m., Dr. Thomas W. Hill, pastor. Tel.: 069-549559. THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School 9.30 am, and Church 10.45 am, Kallerberg, 19 (at the Int. School). Tel.: 673.05.81. Bus 95. Team 94. INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FEST-SAAL, AM ISFELD 19, Hamburg-Ostdorf. Bible Study at 11:30 & Worship at 12:30 each Sunday. Tel: 040820516.

COPENHAGEN INTERNATIONAL CHURCH of Copenhagen, 27 Farvargade. Variov, near Rédrus. Study 10:15& Worship 11:30, Tel: 31624785.

FRANKFURT

LONDON INTERNATIONAL BAPTIST FELLOWSHIP meets at 1800 at the First Beptist Church of Oato, Hausmen Street 22. Contact Pastor Tor Oberg, 670 726 59.

MOSCOW MOSCOW PROTESTANT CHAPLAINCY, UPDK Hall, U.L. Ulole Palme 5, bldg. 2. Wor-ship 9+11 a.m. S.S. Tel.: 143-3582.

PARIS canel SUBJURCH, 56 Rue dee Bone-Raisires, Ruel-Naimaison. An Evergetcal church for the English speaking community located in the western suburbs.5S. 946; Worship: 1045. Children's Church and Nussey, Youli ministries Dr. B.C. Thomas, pastor. Call 47.51.29.63 or 47.49.15.29 for information. American Lutheran Church, Pritznersol. 15 Worship & Sundey School 10 a.m. Tel: (02) 44:35.84. MALIS29 OF INCHREENT.

INTERNATIONAL BAPTIST FELLOWSHIP.
830 p.m., 123 ay. du Maine. Mo Galié. Near the Tour Montpersess. The evening service of Emmanuel Baptist Church. Cali.
47.5129.63 or 47.49.1529.

PRAGUE International Baptist Fellowship meets at the Czech Baptist Church Vinohradska #.68, Prague 3. At metro stop Jitrhoz Podebatel Sunday a.m. 11:00 Pastor: Bob Ford (02) 311 0893. **STOCKHOLM**

International Beptist Church, English, German, Pessien. Wosship 10:30 a.m., Selestr. 21, Wupperial - Ebedeki. All denominations welcome. Harra-Cleter Fraund, pastor. Tel: 0202/4698364.

WARSAW

ZURICH

VIENNA VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 A.M., Sunday echool, nursary, international, all denominations welcome. Dorofheegassa 16, Vienna 1.

WARSAW INTERNATIONAL CHURCH, Protestant English language expatitisties, Son-days 11:00 a.m. (Sept.-May), 10 a.m. (Anne-Aug.); Sunday School 9:55 (Sept-May) UL. Modowa 21. Tel.: 43:29-70.

NTERNATIONAL PROTESTANT CHURCH English speeling, workship acrivice, Sunday School & Nursery, Sundays 11:30 a.m., Scherosingassa 25, Tel.: (01) 2825325.

GENEVAGEROL (022) 7741596. HEDDELBERG: (08221) 472116 or (06205)

PARES: (1) 42-77-9677.

OENERAL INFORMATION: (49) 621-58-1718.

CONTENENCE INFORMATION: Nov. 12-14. (41) 31-44380R

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TRINITY LUTHERAN CHURCH, Nibelungen Aflee 54 (U-Bahn 5), Sunday School 9:30, worship 11 a.m. Tel.: (069) 599478.

EV. LUTHERAN CHURCH of Geneva, 20 rus Verdains. Sunday worship 9:30, in Ger-man 11:00 in English. Tet (022) 310.50.68.

AMERICAN CHURCH in London at 79 Tot-tenhem Court Roed, London WI, SS at 9:45 s.m. & womthp at 11 s.m. Goodge street tube; Tet (01) 5802/31.

OSLO

AMERICAN CHURCH IN PARIS, Worship 11:00 a.m. 65, Quel d'Orsay, Paris 7, Bus 63 at door, Meiro Alms-Marcseu or Invelides.

IMMANUEL CHURCH, Worship Chief in Swedish, English, or Koreen. 11:00 a.m. Sunday. Birger Jarlsg. at Kungstensg. 17. 46/08/ 15 12 25 x 727 for more

TRAVEL UPDATE

A toll tunnel allowing traffic to cross Marseille in about three minutes is to open Saturday. The 2.5-kilometer (1.55-mile) tunnel will link up with three highways. It was financed by private capital at a cost of \$200 million. The toll will be 10 francs (\$1.7).

(AFP)

French farmers demonstrated at Euro Disneyland on Friday against a U.S.-EC agricultural accord. Organizers said about 100 farmers managed to get inside the amusement park, 30 kilometers (18 miles) east of Paris. They said policemen were preventing 200 more protesters from joining those inside. Euro Disney said 90 percent of the food consumed by park visitors came from France.

Taiwan's Eva Airways will inaugurate daily service between Taipei and San Francisco beginning next month, airline officials said Friday. (AP) The United States will forbid Cuban exiles to book paid-in-advance package deals to return to the island for visits. It called them discriminatory and said they were an attempt by Havana to bring in desperately needed foreign currency. President Fidel Castro proposed in July that exiles buy packages valued at upward of \$70 a day in advance. (AP)

SOMALIA: U.S. Political Role

Continued from Page 1 political initiative, that it ought to be an initiative which furthers the original UN mission of enabling the Somalis to take control of their own affairs in peace and dignity and without starvation and mur-der," Mr. Clinton said. That is, we don't want to do something that rewards the very conduct we went to Somalia to put an end to." ■ U.S. Troops Kill 2 in Raid

United States soldiers raided the Bokhara market area in Mogadishu before dawn Friday and killed a suspected supporter of the fugitive General Aidid, news agencies re-ported from Mogadishn. General Aidid's Somali National

Alliance militia said two civilians had been killed.

A UN spokesman, Major David Stockwell, declined to say whether the U.S. Rangers' raid was another attempt to capture General Aidid. In the attack, about 75 Rangers raided several houses thought to be an Aidid command center south of the market. "A suspected militiaman made

threatening gestures with a weapon and was shot and killed." Major Stockwell said. On Tuesday, Rangers had acrest-ed a former Somali police chief

British Aide to Visit Tehran

Agence France-Presse LONDON - Michael Burton, the Foreign Office assistant undersecretary for the Middle East, left Friday for Iran on a four-day visit, the first high-level contact between Tehran and London in two years.

because they mistook him for General Aidid, witnesses said. Ahmed Jilaw, who bears a superficial resemblance to the warlord, was arrested during a raid on a northern Mogadishn villa. (AFP, Reuters)

Solzhenitsyn To Return to Russia in May

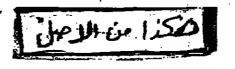
PARIS - Alexander I, Solzhenitsyn, expelled by the Kremlin in 1974, said Friday that he would return to Russia in May.

The 1970 Nobel laureate in literature, who lives oo a Vermont farm and is on a speakiog tour of Europe, told France-2 television he would end his exile when the house that he is having built in Russia was finished.

Asked why he did not return to Russia carlier after the collapse of communism there, Mr. Solzhenitsyn, 74, said the way had been cleared "from an official point of view" only two and a half years ago.

He said that on his return he would travel and speak to "simple people," shunning the anthorities and politicians. "I wouldn't be surprised if they tried to restrict my freedom of speech," he said, calling Russia a "pseudodemocracy."

Imprime par Offprint, 73 rue de l'Evangile, 75018 Paris.





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STATESIDE / 'RULED BY THE FORM'

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WASHINGTON - President Bill Clinton toured a children's hospital Friday as he stepped up the compaign for his health care plan, promisiog to end a paper-work jungle with a single form for all medical claims.

He Cambodial "We're stuck in a system where we're ruled by the form," Mr. Clinton said at Children's National Medical Center. He visited the hospital records room, where he was rold that 61/2 feet of forms and other papers were added each week.

We think we can do away with all the confusing claim forms," Mr. Clioton said. He unveils his plan Wednesday io an nationally televised address to Congress.

The White House is hoping to prune hillions of dollars from the nation's health bills by simplifying paperwork and cutting through red tape for doctors and patients. Its draft reform plan requires all health plans to adopt by 1995 a single, standard form fur reim-

bursement rather than the dozens

of different insurance forms that

hospitals and doctors' offices now The administration hopes that

standardizing the forms will make it easier for states to monitor the quality of care patients receive. Dr. Lillian Beard, a pediatrician, told Mr. Clinton she was swamped by paperwork, spending 2 to 3

'Reducing paperwork will enable me to practice medicine again.

hours every evening completing

Lillian Beard,

a pediatrician

"This is not what we trained all these years to do. Reducing paperwill enable me to practice work medicine again," she said.
Vice President Al Gore said that getting a child treated at Children's Hospital could require parents to fill out as many as 26 separate

forms. "That's crazy," he said.

year just on health care administrative paperwork," Mr. Gore said.

Mr. Clinton said his plan called for "a single form that would go to every hospital in the country." He claimed the nation now has 1,500 different insurers, each with different forms seeking different infor-

He said his program would "do away with all that."

In an appearance Thursday, Mr. Clinton acknowledged that even though the plan would streamline the system and make health care insurance universal, some people would pay more than they do now and some jobs would be lost. There will be some difficult

choices in this decision," he said as he toured a hardware store several miles from the capital. He suggest ed some people could lose jobs in the overhaul, with the major ques-tion being, "Are we going to lose more jobs doing what we're doing or are we going to lose more jobs with the alternative?"

■ Clinton Hears Complaints Mr. Clinton formally opened his campaign to revise the nation's health care system on Thursday by inviting ordinary Americans to the White House to voice their complaints. The New York Times re-

Participants flown in fram around the country read letters they had sent to the White House about their problems in getting in-surance coverage for everything from multiple sclerosis to nursing home care to AIDS. Their fares were paid by Families U.S.A., a consumer group that supports the

The readers detailed their fears over losing insurance coverage when they changed jubs or lost empluyment or made unpalatable choices in order to care for ailing

For example, Karl Kregor, 55, a self-employed consultant from San Antonio, Texas, said that he and 3 Florida Teens Emerge as Likely Suspects in Briton's Death his wife, who is also self-employed, fear they will be unable to afford insurance when they retire. "Maybe language like hostage and blackmail doesn't seem fair,"

Mr. Kregor said. "But the economic as well as psychological consequences are just as real."

Conceding that some taxpayers would see their premiums rise if coverage is to be extended to address these common concerns, Mr. Clinton said that such steps would nevertheless be necessary to bring what he described as a "wildly inefficient" health care system under



"THERE'S A LETTER FOR SOCKS" — A White House resident helping volunteers at the U.S. Soldiers' and Airmen's Home in Washington sort presidential mail.

POLITICAL NOTES

A Warming Trend for 2 Black Leaders

WASHINGTON - The Reverend Jesse L. Jackson and Louis Farrakhan, who drifted apart during Mr. Jack-son's presidential campaign in 1984, have joined to call for a united effort to improve the economic well-being of

Mr. Jackson and Mr. Farrakhan appeared at the annual legislative meeting of the Congressional Black Cancus.

The coolness between them began after Mr. Jackson lost some support when he failed to disassociate himself from Mr. Farrakhan's criticism of Jews during the 1984 campaign after Mr. Farrakhan's Nation of Islam endorsed Mr. Jackson.

Mr. Farrakhan said Thursday: "Jesse Jackson, in my mind, is one of the most brilliant men we have on the scene today. Our differences are oot such that we can't reconcile them if there is no power between us."

Mr. Jackson said that he and Mr. Farrakhan had been

reconciled for some time.

Senator's Accusers Push for Hearings

WASHINGTON - The Senate ethics committee has interviewed about 150 people regarding allegations of sexual misconduct against Senator Bob Packwood, Re-

publican of Oregon, and expects to complete the initial phase of its investigation by the end of October. After completion of a report on findings from the stafflevel inquiry, the committee will decide whether to move to a final trial-like phase of the investigation, which could include public hearings.

The committee issued the status report as pressure huilt

among Mr. Packwood's accusers for hearings on the allegations that the senator made unwanted sexual advances toward at least two dozen women over the past 20 years and tried to intimidate them so they would not tell

Lawyers for 12 of the women have written or intend to write the committee urging that hearings be held, according to Betty Roberts, a former Oregon Supreme Court justice who is working with lawyers for the women.

She said they wanted hearings to be conducted in the open "except for instances where the rape-shield rule

In federal court proceedings, the rape-shield rule bars introduction of evidence about a victim's sexual history unless it is related to the offense at issue, and the ethics committee has agreed to follow this rule in the Packwood

But, especially in dealing with allegations that Mr. Packwood tried to discredit the women in an attempt to keep them from talking to the news media, that informa-tion may be critical to the case against him. When such information is to be discussed, the women want it done in private, Ms. Roberts said.

N.Y. Hopeful Would Cut Homeless Ald

NEW YORK - Rudolph Giuliani, the Republican-Liberal candidate for mayor of New York, said that if be was elected, his administration would drastically curtail services for some of the city's homeless, setting a 90-day limit on many shelter stays.

His proposals would cut the oumber of people in city

shelters each night - typically 24,000 - by almost half, his advisers said. His administration would then spend more money on a

subgroup of people whom he characterized as "chronically homeless." These people would receive intensive casework, mental-health care and uther services and be able to stay in shelters for up to a year.

Quote/Unquote

Thumas R. Donahue, secretary-treasurer of the AFL-CIO, on organized labor's commitment to fight passage of the North American Free Trade Agreement: "We'll spend

For Hillary Clinton, A Brighter Spotlight By Adam Clymer

New York Times Service

WASHINGTON - After seven months of leading the administration's internal effort to develop a national health plan, Hillary Rodham Clinton late this month will take on the most prominent substantive role ever played by a first lady when she appears as the leadoff witness in congressional hearings on the plan.

With the administratioo's hopes for shaping history on the line, Mrs. Clinton will testify on Sept. 28 before a joint hearing by the Senate's Finance Committee and Labor and Human Resources Committee.

Because the hearing will be held only six days after President Bill Clinton outlines the plan in a nationwide speech, senators will probably nut have a formal piece of legislation before them. But they will be considering the general outline of the plan, whose shape was revealed in a draft given to members of Congress earlier this month.

Mrs. Clinton, who has been talking for months to Congress about health care, has won uniformly high marks from lawmakers in both

parties. They praise her brains (Representative Jim Leach, Republican of lowa, called her "one of the dominant intellects" of the administration), credit her with drawing attention to health care, and call her "focused," "determined" and a good listener.

But her talks with lawmakers have never before been on live national television. That coverage will remind the public of her

uniquely powerful role in the administration, an image at odds with the cookie-baking, conspicuously silent persona created last fall by the Clinton campaign.

Still, Congress has adjusted to discussing the president's most important program with his wife, even if some, especially Republicans, wonder if she will be too rigid, too "proprietary toward her

proposals," in the words of Senator Nancy Landon Kassebaum, Republican of Kansas. Senator Bob Dole of Kansas, the Republican leader, said that he found her knowledge of the complexities of health care command-

he added, "We'll see when we disagree - and we'll disagree." Her Democratic allies have little doubt of her ability to compromise. They see her apparent rigidity as a good lawyer's opening position; some have even suggested that her husband could learn

from it not to compromise ton quickly. Brittle Steel in Hull Doomed the Titanic

NEW YORK — A new analysis by maritime experts has concluded that the disastrous loss of the Titanic was caused not so much by an iceberg as by structural weaknesses in the ship's steel plates that caused them to fail catastrophically. A better grade of steel, the analy-

sis concludes, would have reduced the extensive fracturing and allowed the ship to remain affort or. to flood more slowly, perhaps saving many lives. About 1,500 people died when

the Titanic sank in the North Atlantic in 1912 on its maiden voyage. The liner, the latest in luxury and engineering, supposedly unsinkable was built by Harland & Wolff of Belfast. It was sailing from Southampton, England, to New York when it hit an iceberg while traveling at 22 knots. Two hours and 40 minutes later, at 2:20 A.M. on April 15, it sank. There were

The new analysis is based on physical and photographic clues athered by five expeditions to the hulk in water more than two miles deep. It also draws on a study of the fates of the Titanic's sister ships, the Olympic and the Britannic.

The culprit was found to be a process known as brittle fracture, in which low-grade steel breaks violently when chilled rather than bending. The Titanic's hull was cooled to about 31 degrees Fahrenheit (ahout minus half a degree centigrade) by the icy Atlantic. The problem was the plates being weak rather than the iceberg

being strong," said William H. Garzke, the lead author of the anal-

"Not all ships of the time were huilt with brittle plate," he said. "But by the standards of the day, it was probably all right" for the ship's owner, the White Star Line, to have used steel that would be scorned today.

Mr. Garzke is a senior naval architect at Gibbs & Cox Inc., a New York firm of naval architects and marine engineers. He and four collaborators from other companies and institutions presented their analysis Thursday at the centennial meeting of the Society of Naval Architects and Marine Engineers.

"The real tragedy of the Ti-tanic," the team concludes, is that better construction techniques and "a better quality of steel place might have averted her loss or resulted io an even slower rate of flooding that may have saved more passengers and crew."

In a twist, the analysis holds that the numbles and roars heard by survivors on the night of the sinking were caused oot so much by shifting gear and boiler explosions as by fracturing of brittle steel.

When cooled and stressed, some

bending or stretching. diture of energy, which can be ad- have been 5 to 10 miles across. ministered by an external blow or

New York Times Service NEW YORK - A speeding object from outer space that struck energy being released, vaporizing the Earth 65 million years ago in a thousands of cubic miles of Earth,"

By William J. Broad

the Earth 65 million years ago in a cataclysm that may have wiped not the dinosaurs was far larger than previously thought and produced what was perhaps the largest explo-sion to rock the planet since life began, a new study said.

The crater left by the object's impact lies beneath the Gulf of Mexico and the northern tip of the Yucatan Peninsula, Geological processes such as erosion and sedimentation have long since buried all visible signs of the huge scar, which lies a mile or so beneath the Earth's surface. That makes it hard to pin down its dimensions and cause, whether an asteroid or com-

The crater's existence has been known for several years, along with the date of its formation at the end of the Cretaceous period. That made it the leading candidate for the impact that some scientists ar-gue ended the reign of the dino-

have caused such a crater seemed only barely large enough to wreak global havoc, and scientists have been searching for companion cra-ters that might have accounted for the catastrophe. They need search no more.

The study, published in Friday's issue of the journal Science, increases the estimated diameter of the crater from 110 miles to 185 types of relatively primitive steel miles (or from about 180 kilometers to 300 kilometers) based on a new map of variations in the area's Moreover, this type of breakage gravitational field. The speeding takes place with a very small expen-nbject itself is oow calculated to

The colossal energy released in internal stress. The phenomenon is its collision with the Earth is now now well known in shipbuilding estimated to be equal to the detoand is avoided as a grave danger.

— WILLIAM J. BROAD

gen bombs, each some 70 times

more powerful than the atomic bomb that destroyed Hiroshima.

1 in a Billion Event

"It's hard to conceive all that the study's lead author. Dr. Virgi L. Sharpton of the Lunar and Planctary Institute in Houston, said by phone. "Clearly, this type of event is extremely rare, something on the order of once every billion years or

The study added support to the idea that a doomsday rock from outer space brought an end to the dinosaurs and other creatures at the end of the Cretaceous period by creating a global pall of dust that blotted out the sun, as well as such environmental disasters as fire storms and acid rain.

That hypothesis, first proposed in 1980, has been questioned by skeptics even while gaining credibility in recent years. The latest study is unlikely to end the debate. Still, by going from 110 miles to 185 miles, the Yucatan crater now becomes far and away the largest mown celestial blemish to mar the Earth's surface.



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record and two other teenagers have emerged as the main suspects in the killing of a British tourist. Florida's deputy attorney general said Friday. Two of the teens - the 13-year-

old from Tallahassee, who has a record of 56 arrests, and a 15-yearold Monticello resident - were al- told The Miami Herald in an article ready in custody in an unrelated

Compiled by Our Staff From Dispatches car theft. A 17-year-old was being MONTICELLO, Florida - A sought, said Deputy Attorney Gen-13-year-old boy with a long arrest eral Pete Antonacci. The youths have not been

charged in the killing, and Mr. Antonacci did not say why investigators believed the teenagers were the assailants.

"They're convinced that they have the guys, and that they don't have a case so far," Mr. Antonacci published Friday.

John Joyce, spokesman for the Flurida Department of Law Enforcement, declined to endorse Mr. Antonacci's statements.

"Mr. Antonacci does oot have any direct bearing on this case," Mr. Joyce said, "There are inaccuracies involved." He did not elabo-

Gary Coiley, 34, was fatally shut Tuesday during an attempted robbery at a highway rest stop where had forgiven the killers.

At a briefing Friday morning, he and his girlfriend had pulled nver for a nap. His companion, Margaret Ann Jagger, 35, was

industry.

ain on Friday and told friends she

reporters, but Mr. Colley's brother Stephen, 33, said she was calm and bore no malice. "She even said she did not blame

the killers for what they had done," Mr. Colley said. "She said they probably came from a poor background and it was just circumstances that led to Gary's death. She said it could have happened

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About the Author ANUME THE AUTHOR
Born in Germany, Dr. Gerbard Kurts
has been an investigative journelist for
mest of his working life. His uncompromis
ing style of journalism has caused many
to try and suppress him through civil and
criminal proceedings (nearly all were
warmonested). nas been an editor of several German garinee, a freelance contributor to oegel", "Stern" and "Ness Ravue", and to Avoid Taxes", "How to Make Money" and "How to Gein Your Rights". He also created "Kurtz-Brief", a successful

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Away From Politics

 After receiving 6 organs in a 15-hour operation, Laura Davies, 5, of Britaio was able to squeeze her mother's hand at Children's Hospital of Pittsburgh, and a hospital spokesman called it a good sign despite the child's critical condition. More than a year after undergoing a liver and smallintestine transplant that proved unsuccessful, the child had her stomach, large intestine, small intesune, liver, panereas and kidneys replaced.

The California Supreme Court has upheld the \$3.6 million judgment awarded a scientist, Gabriel L. Garay, who said Syntex Corp. had forced him to quit after he tried to warn of the dangers of an experimental ulcer drug.

The FBI is investigating whether any of its agents

helped an Alabama Ku Khux Klansman escape murder charges in a racial killing 36 years ago, officials say. The inquiry resulted from a klansman's confession to his wife shortly before he died · Because of flood deposits of sand and silt in the

Mississippi River's main channel this summer, at least 15 barges are backed up in northeastern Iowa awaiting the efforts of a dredging machine. • The astronauts of the shuttle Discovery, after testing tools for seven hours outside the craft, returned to studies on cosmic radiation, crystal

growth and gastrointestinal functions. James Newman and Carl Walz tested a power ratchet and five other tools that NASA is planning to send on the Hubble Space Telescope repair mission. AP, Resters, NYT



MIDEAST PEACE / A LIKUD SETBACK

For Opposition, Cause and Constituency Slip Away

Washington Post Service
JERUSALEM — The accord on Palestinian self-rule has turned into a debacle for Israel's once powerful Likud party and the dream it championed of building a "Greater Israel" in territory captured in the 1967 Middle East war.

Not only is the ideology of settling Jews throughout the West Bank and Gaza Strip being reversed on the ground for the first time, but according to political analysts and surveys, a majority of the Israeli public appears to be willing to go along with it.

Likud has reacted to the accord with dire warnings. The party's leader, Binyamin Netanyahu, said it would lead to "renewed conflict, renewed tension and war," with Katyusha rockets falling on Tel Aviv.

Ariel Sharon, the former housing and de-fense minister, declared that the Palestine Liberation Organization chairman, Yasser Arafat, was a war criminal with more Jewish blood on his hands than anyone since Hitler. Yet surveys taken in the last three weeks show that a steadily growing majority of Israelis supports the Gaza-Jericho agree-

ment for Palestinian self-rule. Although vio-

lence could dampen the euphoria, and Israe-lis remain profoundly distrustful of Mr.

Gaza Strip.

Another problem for Likud is that polls

mism in business circles, while lower-middle Arafat the accord is now winning the sup-

port of more than 60 percent of Israeli Jews.
Stunned by the secret diplomacy that led to the agreement, Likud and the smaller parties that now form the opposition have danger. vowed to try to block the pact, but their "The Likud is trying to make us feel chances of derailing it in the legislature, the threatened," Mr. Rabin said. "I'm embar-Knesset, next week appear to be slim. The fast-paced events have been particu-

larly troublesome for Likud, which dominated Israel's political landscape for 15 years have an army like this, how is it possible to before the election of Prime Minister Yitz-talk about a threat to our existence from the hak Rabin last summer.

One reason is that much of the self-rule plan is based on the concepts of Menachem Begin, the Likud patriarch who first advanced the idea of autonomy for Palestinians, and Yitzhak Shamir, the Likud prime over tactics, such as whether to encourage minister who agreed to negotiate on self-rule civil disobedience or whether Likud should Likud underperformed," said Chaim Silber-for Palestinians at the 1991 Madrid conferpromise voters that the party would disavow stein, a businessman who lives in the West ence that opened the Middle East peace the accord if elected. And while Likud has Bank settlement of Bet El, north of Jerusa-

the warnings that the country is in mortal agreement the benefit of the doubt.

rassed when I bear leaders in the Likud and extreme right compare our situation today to the period of the Holocaust. For Jews who Palestinians? What are they blabbering?"

Deep in debt from the last election campaign, Likud has been riven by internal squabbling and open disarray. The disputes have been not only among leaders, but also

ble to oppose it," since there is an over- Likud, however, has been the erosion of ity were probably not Likud."

show many Israelis do not feel as threatened class voters who were critical to Likud's past as they once did and do not empathize with election victories appear to be giving the

> Overall, the idea of a Greater Israel from the Jordan River to the Mediterranean enshrined in national policy by Likud through heavily subsidized Jewish settlement of the West Bank — appears to have lost its allure for an Israeli public now preoccupied with cable television and shopping malls.
>
> A glimpse of the opposition's difficulty in

> rallying Israelis against the accord was evident at a Sept. 7 rally outside the prime minister's office. The crowd was dominated by Jewish settlers in the territories and rigorously Orthodox nationalist Jews.

"If you judge by the demonstration, the Likud underperformed," said Chaim Silbertried to cast its opposition in terms of securi-Moreover, said Yossi Olmert, a former ty concerns, Mr. Rabin's credentials on secu-rockesman for the Shamir government, "the rity appear untarnished."

Lem. "They didn't approach the voting con-stituencies, they didn't encourage them or move them ahead. Their whole response was spokesman for the Shamir government, "the inclusion of the word Gaza makes it impossiPerhaps the most devastating setback to lukewarm. At the demonstrations, the major-



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A Propositions in the

BREAKING CAMP - Palestinians deported by Israel to Lebanon dismantling a tent in their camp. Nearly half the 417 deportees were allowed back to Israel this month, and fewer shelters are needed.

King Hussein Fears Prospects for Peace Could Raise Premature Hopes in Jordan

By Nora Boustany

Washington Past Service

AMMAN — King Hussein of Jordan, who has guided his nation through regional crises for four decades, has expressed fears that the shimmering new prospect for Middle East peace may raise political hopes too abruptly, bringing with it the danger of disillusionment.

As a measure of his concern, King Hussein hinted Thursday that parliamentary elections planned for Nov. 8 could be postponed. The elections, which would be the second since 1989, had been billed as a bellwether of democracy in the Middle East, but the fact that two-thirds of Jordan's 3.8 million people are Palestinians has obvi-ously given the king and his government pause.

Speaking of the easing of tension between Israel and the Palestine Liberation Organization, he said: "Jordan is worried about the possibility that this opportunity for the much needs to be done."

He avoided any direct reference to ominous forecasts Jordanians agree. that a Palestinian state could at some point seek to supplant Jordanian sovereignty.

The monarch insisted that his country's avowed march toward multiparty democracy would not be reversed, yet he signaled three times during the interview that plans for

the fall elections were being rethought. In sum, he said, his government had not yet decided to shelve the ballot. "However," he said, "we have a new situation now that necessitates us thinking about it and examining it everywhere with the interest of maintaining democracy, yet at the same time maintaining cohesion in

Mustapha Hamarneh, an expert on electoral law in establishment of a just and durable peace may raise Jordan, argued in a separate interview that the elections the 1 million Palestinians in the Israeli-occupied West

ultimate confederation with neighboring Jordan, if the

"We don't want Jordan to become the center of debate for that process — for or against," Mr. Hamarneh said, reflecting widespread apprehension that any intra-Palestinian discord over the Israeli-PLO agreement is bound to

affect stability in Jordan. "This is the only country in the Arab world where such a debate can take place," he said. "It will overshadow all other issues, and this is detrimental for the process of

social change here."

He added: "How can you have a legislative body that has been chosen exclusively over one issue? These are extremely challenging times for Jordan. Yasser Arafat did not pull a rabbit out of his hat, but a damned camel." The Israeli-PLO accords envision eventual self-rule for

King Hussein renounced all claims to the territory five

years ago, saying this would allow Palestinians there to pursue their ideal of a separate homeland. This action, however, also allowed Jordan to disengage from cumber-some administrative involvement with West Bank residents and exiles, and it limited West Bank representation in the Jordanian legislature.

The king has recently emphasized that the time for confederation between Jordan and a Palestinian state had not yet come, pointing out that such an association could only be forged by full-fledged and independent states, still a distant prospect for the Palestinians.

To that end, he said, "we have called on our Palestinian

brothers in the territories and elsewhere to stand together at this time, lest the results be tragic as far as they are concerned, and as far as their cause is concerned." Referring to the desultory progress of bilateral negotia-

expectations too quickly and therefore bring with it the dangers of a psychological setback when it is realized how cord, which many Palestinian leaders assume will lead to roops during the 1967 Middle East war.

Bank, which was part of Jordan until it fell to Israeli tions to end a four-decade state of war between his country and Israel, he said that the Palestinian problem country and Israel, he said that the Palestinian problem country and Israeli accountry accountry and Israeli accountry acc country and Israel, he said that the Palestinian problem had been the "root cause" of the Middle East crisis and that Jordan had "been waiting until we saw progress" on that issue.

> Now, he said, "we have begun to prepare to look at our agenda with the Israeli side, and we hope that the rest will follow in terms of Syria and Lebanon, and eventually I hope it will all come together in a comprehensive peace."

> Prime Minister Abdel Salam Majali spelled out details of a Jordanian-Israeli agenda for further negotiations on Tuesday that was initialed in Washington by both sides that day.

Psychological impediments separating Arabs and Israelis would fall if practical solutions materialize, the king said. "Barriers would come down if a context of peace and opportunities that were never there would present them-

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Hosokawa Proposes Bill for Broad-Based **Electoral Reform** By David E. Sanger

New York Times Service

TOKYO — The fragile coalition government of Prime Minister Morihiro Hosokawa, girding for a battle that may determine its ability to retain power, proposed a far-reaching political reform plan Friday that for the first time would bar companies from contributing money directly to Japan's parliamentary candidates and would establish public financing of campaigns.

Failed promises to reform Japan's electoral process have already ended the terms of the last two prime ministers, both Liberal Democrats. The party was driven from office in July for the first time in 38 years, and Mr. Hosokawa has promised to overhaul a system that has encouraged companies and gangsters to buy off the country's leading politicians.

But it is far from clear that his new plan, contained in four bills introduced at the start of a special parliamentary session, stands much of a chance of passage in its present form. The Liberal Democrats, by far the country's largest party, are expected to delay passage and press for changes that many fear could water down the toughest provisions.

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"An early realization of electoral reform is the No. 1 priority of this administration," Mr. Hosokawa declared Friday. "My government will endeavor to pass reform bills within this year.'

At the core of the new plan is an overhaul of Japan's electoral system, in which each electoral district is represented by three to six members of parliament. Usually, several candidates from the Liberal Democratic Party competed against one another. Since they barely differed on matters of policy - which are little debated in Japanese elections in any case — their campaigns be-came efforts to outspend one an-

For years there has been talk of doing away with the system and creating single-seat constituencies. But smaller parties have objected, fearing that Japan's conservative voters would east their only ballot for the Liberal Democrats, and freeze the opposition out of power, Under the compromise plan approved by the cabinet Friday, the parliament would be split in half: 250 scats would come from single-scat constituencies. Another 250 seats would be distributed by proportional representation.

Many believe that this system, too, may prove beneficial to the Liberal Democrats as they try to seize power again. Mr. Hosokawa's own cabinet members appear divided on the issue.

But Mr. Hosokawa went considerably beyond the electoral issue, proposing that any contributions from a company or a labor union to an individual be banned. The com-panies could, however, give their money to political parties, at least for the next five years. For the first time, the government would also subsidize election campaigns, taxing each citizen about \$3 for that

Penalities for violating the politi-cal financing laws would be stiff-ened, and election results would be invalidated if a candidate or his close relatives were found to have tampered with the voting process.

The proposed public financing of campaigns is modeled after the American system, which Japan has studied with some care. So is one other innovation that Mr. Hosokawa is trying to bring to Japa-nese politics; door-to-door campaigning. Uotil now it has been barred in all elections; the new law, in an effort to promote volunteerism instead of cronyism, would allow campaign workers to visit each

JAPAN: Women Have Last Laugh

Continued from Page 1

has made it easier for women to build business careers.

A generation ago, single Japanese women were haunted by the metaphor of the "Christmas cake" - that is, something pretty that turned stale after 25.

But now, "my friends and I. we're all Christmas cakes," said an unconcerned Tomoko Nakayama, 26, who has a good job in the Asahi publishing empire. Miss Na-kayama said she had oo plans to marry anytime soon. But she said she might think again if she were a "New Year's cake" - that is, older The trend-setting magazines for

young women strongly reinforce the idea that there is no rush to get married. On television, one of the hottest themes is the tale of capable, attractive women who do not get married at all, as reflected in drama series such as "Maybe I Won't Get Married" and "The Man Who Had to Propose 101 Times." The nation's top-ranking soap opera carries the title "A Good Wife," but this is ironic. The protagonist, a newly graduated doctor, is on the brink of divorcing the husband who cannot understand her.

There was speculation here that the lavish wedding of the new crown princess, Masako Owada, would spark a marriage boom among career women who looked to the 29-year-old former diplomat as a role model. lo fact, there is no evidence that her peers are following the princess down the aisle. Putting off marriage does not

necessarily involve a vow of chastity for young people in Japan, But since few women in Japan can get contraceptives, birth control is universally recognized to be the man's responsibility. The men seem to meet it; condom use is considerably more prevalent than in the West, according to public health statistics. Abortion is available and covered by health insurance plans.

When women do marry, they are showing no particular enthusiasm about starting a family. For the last decade or so, Japan has registered, year after year, the lowest birthrate in its history. The fertility rate of 1.57 children per woman is well below the level needed to maintain the population. Famous for mass production, Ja-

pan is now failing to produce the one thing nobody else can make: Japanese babies. The result will be a major gap in the working-age population about two decades from now, which will probably cap Japan's postwar economic growth. Women's reluctance to enter family life is a response to the fact that living conditions are down-

right rotten for many young brides.
Homes are tiny by Western standards. Husbands generally pay much more attention to the job than the family, the wife then has to slight or quit her job to supervise the house, the family budget and the kids. As the couple's parents get older, the wife is expected to care for both his and hers. In a survey this year, fewer than 10 percent of Japanese men said they felt an obli-gation to share household chores; to them, bringing home the sushi is

contribution enough.

TEST: Preparations by Chinese Continued from Page 1

Chinese conduct many new tests

and are joined by other nations. To help decide what to do, offi-cials said, the National Security Council has requested that the Departments of State, Defense and Energy develop a variety of options for a U.S. response to the expected

"We would view a Chinese nuclear test with serious concern," a senior official said. "We have been actively engaged for several weeks to dissuade China from carrying out such a test." The official added that there had been "ioterventions at very senior levels." Some American officials say

they believe that France may also decide soon 10 resume ouclear tests, Reuters reported.

France has been adhering to a testing moratorium, but a special government commission that has been studying the issue is expected to report its conclusions soon, Reuters reported from Washington. American officials said the panel was largely composed of members who favor additional testing.]

China has conducted 38 nuclear tests, the last one on Sept. 25, 1992. This compares with 942 tests

conducted by the United States and 969 tests by Russia, France and Britain combined, according to the Natural Resources Defense Council, an independent group that monitors nuclear-testing issues. The period between September and December has long been the peak testing time at Lop Nor, which is in the Sinkiang Uighur region in western China.

American officials said Undersecretary of State Lynn Davis was told during a visit to Beijing last southwestern Poland, the PAP month that China supported a

comprehensive ban on nuclear test-ing beginning in 1996, a statement that Washington interpreted as a sign that Beijing wanted to set off at least a few more blasts before

Scientists involved in the Chinese program have told visiting Westerners that they need the additional tests to design new nuclear warheads containing materials that are less prone to accidental detonation, according to sources. Chinese weapons are less sophisticated than those made by the United States and probably contain fewer safety features, the sources said.

Some Defense Department officials are anxious to revive the U.S. nuclear-testing program and have privately expressed satisfaction at the prospect of a Chinese blast, according to other sources. These officials have argued that a Chinese blast would justify new U.S. tests that could enhance weapon safety and ensure that the country can adequately deter a nuclear attack for the indefinite future. But officials at the Energy De-

partment and the Arms Control and Disarmament Agency want Mr. Clinton to dismiss the expected Chinese test as an inconsequential event, these sources said. Chinese missiles that might carry the new warheads lack sufficient range to reach any important U.S. targets, the officials have said, and the existing U.S. arsenal is already adequate to deter any attack.

6 Miners Killed in Poland

WARSAW - Six coal miners have been killed by a cave-in at the Miechowice mine in Bytom, in news agency said Friday.



Australian Agitates for Republic

LONDON - Prime Minister Paul Keating of Australia contended Friday that most Britons would support the idea of ending Queen Elizabeth II's reign in his country and making it a republic. "I believe they would find it unexceptional and

inoffensive that Australians should consider tak-ing this step at this stage of their history," Mr. Keating said in a speech at the Australian Embassy at the start of a three-day visit. A highlight of the visit was to be a weekend stay

at Balmoral Castle in Scotland, during which Mr. Keating was to outline to Queen Elizabeth his aspirations for a republic.

"It is not because the machinery is broken that we wish to change it," he said. "It is because a great many Anstralians, in all likelihood a majority, believe the machinery is no longer the most appro-

But Mr. Keating has said that although he wishes to end the monarchy in his country, he has no intention of Australia's leaving the Common-

Mr. Keating lunched with Prime Minister John Major on Friday, and the two emerged from No. 10 Downing Street saying they believed the relationship between the Australian and British nations was as warm as ever and likely to get better.

UN Warns Haiti on Violence

Assert France-Presse UNITED NATIONS, New

York - The Security Council threatened Friday to reimpose sanctions on Haiti if security forces there did not halt political violence.

The council's statement said it was imperative for the Haitian government to take steps to disarm terrorizing people in the countryside and in the capital, Port-au-The United Nations suspended

embargoes on oil and military sales to Haiti last month after the Haitian military agreed to let the exiled president, the Reverend Jean-Bertrand Aristide, return to power in late October. But violence in Haiti has worsened as the date for Father Aristide's return ocared. Diplomats said it was unlikely

the United Nations would reimpose the oil embargo because of its devastating effect on the Haitian economy, but that they were considering reimposing the military embargo and putting a new freeze on foreign assets of top Haitian military and police leaders.

■ Ceremony Is Disrupted The New York Times reported from Port-au-Prince:

In one of the clearest challenges yet to the authority of Prime Minister Robert Malval, about 50 men disrupted a ceremony attended by eabinet ministers Friday and the Aristide is to reassume the threatened government officials.

Plainclothes police auxiliaries ant General Raoul Cedras, the man

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entered the Foreign Ministry and who toppled him, is to resign. Mounting violence, which has claimed the lives of at least seven stood several feet away from Mr. Malval waving their arms and shouting insults. democracy activists in the last 10 Mr. Malval, an ally of Father days, has threatened to scuttle the Aristide, stood firm behind an accord, signed July 3 in New York.

army officer and at one point waved back at the demonstrators. About 10 armed police and army officers did nothing to stop the pro testers, who remained in the build-

ing for more than an hour before police reinforcements arrived and Mr. Malval and his cabinet were able to leave. "You can see some complicity

here," said a senior government official, referring to the lack of action by military authorities.

No one was reported to have been hurt in the confrontation, which occurred as Mr. Malval swore in Foreign Minister Claudette Werleigh. But an angry crowd chased three foreign reporters from the building and attacked their car.

Referring to Father Aristide, the Roman Catholic priest overthrown in a military coup almost two years ago, the menacing moh shouted: "This country doesn't have a father! It doesn't have a mother! We don't need the international community!"

The protesters also threatened to kill Dante Caputo, the UN special envoy who has led attempts to return Father Aristide to power. Under a UN-mediated plan, Fa

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China and Taiwan Due at Talks

By Jim Mann Los Angeles Times Service

WASHINGTON - The United States has worked out agreements with China and Taiwan that will clear the way for a conference this fall between President Bill Clinton and leaders of virtually all the other nations of the Pacific Rim. according to administration officials.

The meeting, to be held Nov. 19-20 in Seattle, will be a milestone for U.S. policy in Asia. Never before have so many presidents, prime ministers and other leaders of Asian nations gathered in the same

The purpose of the gathering, an

gion."
Until now, the arrangements
have been held up by a dispute over who will represent China and Taiwan. Both are members of the Asia-Pacific Economic Conference, or APEC, the organization sponsoring the meeting.

But China considers Taiwan a renegade province and refuses to participate in any meeting that would imply formal recognition of Taiwan or would signal that its government is equal in status to

Beijing. Now, after informal discussions with Beijing and Taipei, American officials said they had worked out a American official said, will be delicate compromise. "We have got "purely economic." It is being de- a deal," one official said. He said century - the priorities each of us People's Republic of China, Tai-Patten.

have, domestically and for the region." wan and Hong Kong, "have equal participation, but not necessarily equal representation" at the meet-

China will be represented by President Jiang Zemin, its head of state, who is also the leader of the Chinese Communist Party. Sepa-rately, Mr. Clinton will invite President Lee Teng-han of Taiwan to send a "representative," and Mr.

sentative of "Chinese Taipei." The agreement will enable Taiwan to be represented by a member of its government, while permitting China to claim it is still dealing with Taiwan only as an economic "purely economic." It is being de-signed to "look at what will be the challenges in front of us for the 21st principle that all three Chinas," the said entity. Hong Kong, like Taiwan, \$610 will be represented by someone at a street principle that all three Chinas," the

Lee will respond by sending his

government's minister of economic

affairs, Vincent C. Siew, as a repre-

PLO: Muslim Fundamentalists Deny Claim of a Truce 1 the

Continued from Page I violence was not a new policy for

Hamas Earlier reports said that El Fatah, the principal component of the PLO, and Hamas had adopted a six-point "declaration of honor" forbidding use of physical or verbal violence and guaranteeing mutual freedom of opinion and expression.

In the preamble to their under-standing, both parties described the situation as a "dangerous historical turning point" and committed themselves to upholding the interests of Palestinians and to thwarting plotters and groups "wa-gering on a fratricidal war." Saud Shawwa, a veterinarian

close to Hamas, said in Gaza that be was "proud of the two organiza-tions' leaderships" for reaching a truce, and stressed that violence hetween Palestinians must be averted. In an interview on Wednesday

night, Mr. Arafat said violence by opponents of peace would continue for some time but it was insignificant compared with the flood of support.
Hamas has denounced the PLO-

Israel accord offering Palestinians limited self-rule in the Gaza Strip and the West Bank town of Jericho as a sellout of Palestinian lands and rights.
PLO officials also said that Syria

would eventually abandon radical secular Palestinian groups campaigning against Mr. Arafat and talking about setting up a rival to the PLO. Several radical groups have their headquarters in Syria. "In the occupied territories there is now more support than opposition. Arafat has been bombarded

an official at PLO headquarters in Tunis.
"I would say one half of the

people are in favor, one third are against and the rest are undecided," said another official in gauging sentiment in the territories toward the self-rule agreement.

In Damascus, a radical Palestinian leader said the United States and Israel were piling pressure on Syria to silence opposition to the Nayef Hawatmeh of the Damas-

cus-wing of the Democratic Front for the Liberation of Palestine said that Syria's vice president, Abdel Halim Khaddam, had told him of the pressure and had pledged support for resistance groups. "Syria will support our people in their struggle for self-determina-

tion and to solve the problem of the refugees because more than 50 percent of our people are living outside the occupied territories," Mr. Hawatmeh said. "Syria will not allow such pres-

sure from the American administration and the Rabin govern-ment," Mr. Hawatmeh added,

referring to the Israeli prime minis-mer

ter, Yitzhak Rabin. /ash A PLO official in Tunis said heth to expected U.S. Secretary of Stateberg Warren M. Christopher to go to Damascus next week to try to win-over both Syria and Lebanon, which also has reservations about

the peace agreement. in another development, a PLO official in the Jordanian capital, Amman, said that the PLO would open an office in Washington next

"The PLO will announce the opening of an official Palestinian mission in Washington," said Saeb Erekat, deputy head of the Palestinian negotiating team to the Mid-in-

dle East peace talks. But administration officials can-an tioned that next month might beretoo soon. "Their optimism on how of quickly that might be done could or ricould not be shared by Congress," a State Department spokesman a said in Washington.

(Reuters, AFP, APIN-

BRITAIN: Racist Wins in Vote

Continued from Page 1

has paralleled the rising profile of Mr. Beackon's party, which is still a negligible force oationally but has become a factor in some communi-

Other members of the Tower Hamlets Borough Council, on which Mr. Beackon will sit, said they would refuse to have anything to do with him. Borough employees, 20 percent of whom are non-white, held a demonstration Friday to protest having to work for a man with phone calls of support," said who wants them deported.

council meeting, and the police said my great country."

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they would have to provide extra 14. security whenever the new council ds member appeared in public. Duriog the campaigo, Mr.d-Beackoo highlighted the low-income oeighborhood's shortage of ic. public housing, claiming that uapartments were available for is

didate came in second, with 1,473. ce Mr. Beackon, an unemployed es driver, has pledged to look after the interests of whites only. "I will not represent the Asians."

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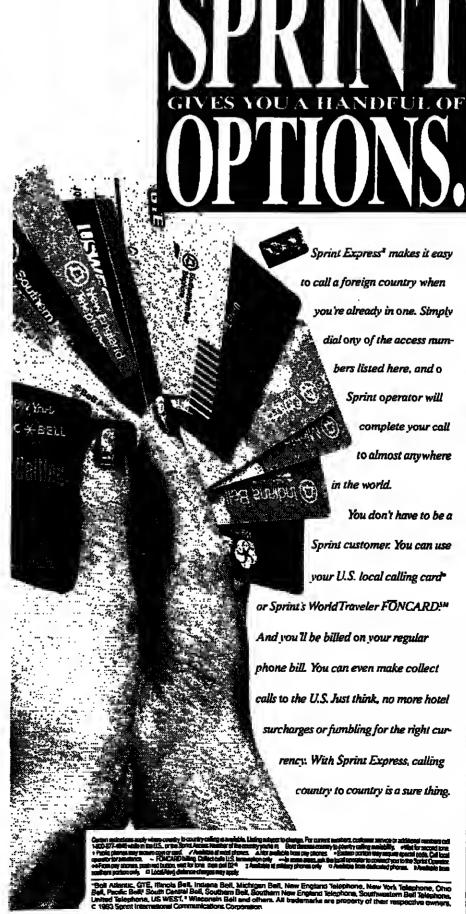
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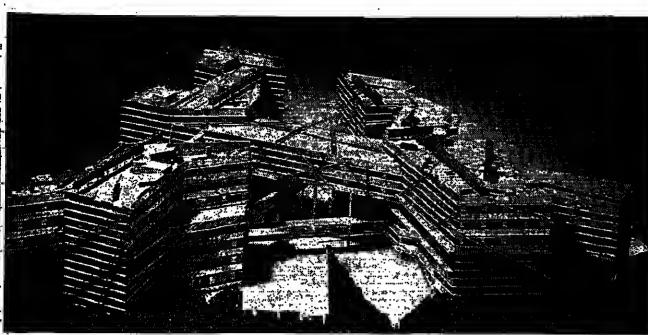
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A model of Libeskind's design for an office building for Wiesbaden.

A First for Acclaimed Architect

By Ann Brocklehurst ERLIN - Daniel Libeskind is one of the top names in international architecture today. He was a finalist in the Alexanderplatz urban design contest in Berlin, winner of the competition to design Berlin's Jewish Museum, one of seven archi-tects selected for the New York Museum of .Modern Art's "Deconstructivist Architecture" exhibition, a visiting professor and lecturer at universities in Europe, North America and Japan, and a holder of a standing invitation to become a senior scholar at the J. Paul Getty Foundation in Los Angeles.

With all these accolades can it really be true. then, that the Jewish Museum, on which construction began in November, is the first of Libeskind's designs that is actually being built?

In an interview in his Berlin office, the 47year-old architect explained: "T've designed many buildings but it's really my first building. worked his way up from additions, renovations and buildings for the bourgeoisie."

"I never really made the separation between architecture's spiritual existence and as it is realized. Of course, I was wrong. I really think building is really a matter of lick or just eleveroess. It's oot the only thing. But I want to stress it's very important. It's another stage. It's wholly public. It's not only for architects who can read drawings.

For years many of those who can read drawings have been praising Libeskind's work as visionary. Detractors, on the other hand, have called it unbuildable, on technical and financial grounds. And although the history of architecture provides many examples of prize-winning projects that never got built, it is highly unusual for an architect of Libeskind's stature not to have had a single design realized. The Jewish Museum appears, however, to have marked a

When he won the design competition for it in 1989, Libeskind, a Polish-born Jew most of whose family was killed during the Holocaust, moved to Berlin with his wife, Nina, who is his business partner, and children to ensure that the museum would indeed be built. Although there was a debate about whether unified Berlin could afford to pay the estimated 117 million Deutsche mark (\$73 million) price tag, the city's Senate eventually decided the museum was a

But even if it is completed on schedule in 1995 it may not be the first Libeskind building to be realized. The architect recently won a contest to design a 50,000-square-meter (538,000-squarefoot) office building in Wiesbaden.

"The building represents a totally different idea of an office. It's oot a box with corridors," he said. "It's more like a city with many different spaces. It combines leisure aspects of work with work. It doesn't make strong distinctions between dining rooms, cafeteria, meeting rooms and so on." He added, "To my great forume, the developer was oo the jury. Otherwise people would have said, 'It's a great project but it can't be built."

Libeskind expects the Wiesbaden office to be finished before the museum.

Libeskind has also been occupied with two other much talked-about German projects. Although the chairman of the jury for the redesign of Alexanderplatz, the prewar center of Berlin, derided Libeskind's proposal as chaotic, it was one of five to enter the final phase of the competition and was awarded second prize.

The second project is of an entirely different nature. In February, Libeskind was awarded a special prize for his proposal for the concentra-tion camp of Sachsenhausen, near Oranien-burg, north of Berlin. He proposed demolishing the old SS barracks but leaving their ruins exposed in a newly created lake. The design also included a "hope incision," buildings providing retraining facilities for the unemployed and offices for physical- and mental-health clinics

as well as space for a library, archives, museum and ecumenical chapel. Libeskind aimed to create a place for those trying to rebuild Ger-many at a site whose "history is paradigmatic for the catastrophe of Germany and its responsibility in the future.

The jury, however, decided that his plan would "mean a new trauma for Oranienburg" and gave first prize to the Viennese architect Hermann Czech, who proposed turning the SS barracks into an 8,000-unit housing estate. That provoked outrage among Germany's Jewish community and others who eventually persuad-ed local government to exclude any housing plans. In an effort to deal with criticisms about the costs of his plan, Libeskind has altered it to use canals instead of flooding the area to create a lake, a change that, he says, is still in keeping with the spirit of his original design.

ARTLY to save money, he also transformed the design of the Jewish Museum, eliminating its original sloping walls. The building, officially called Extension to the Berlin Museum with Jewish Museum Department, is zigzag shaped with what the architect calls a "void" or "a straight ine which is empty" cutting though it.

Libeskind, whose family emigrated to Israel and who then studied architecture in New York and England, is oow a U.S. citizen. He believes, however, that it was part of his destiny to work

Asked about the current racist violence in the country, Libeskind said: "In my case, I feel these events underscore the necessity to be here, particularly when construction on the museum being carried out. . . . I don't think there's anything that alters public attitudes more than a big public building which is part of a city Architecture of the city has a tremendous impact on people's thinking and attitudes."

Ann Brocklehurst is a journalist based in Ber-

Venice's Island of Revived Crafts

By Roderick Conway Morns International Herald Tribune

ENICE - When Caffe Florian, the historie 18th-ceotury coffee house in Piazza Sao Marco, could find no local craftsmen willing to undertake the daunting task of saving its intricate parquet floor, it turned to the stu-dents on the island of San Servolo. Led by their instructor, a team of

conservation commandos came in at night -- so as not to disrupt the floor, and carried it off to the island (leaving a temporary one in its place). Several weeks later the floor, painstakingly restored, was returned again by night.

San Servolo lies a short distance southwest of Venice proper. From the seventh century a Benedictine monastery, it was later a convent. In 1725 it became a hospital for mad aristocrats, and then a general lunatic asylum, which it remained until 1978. Since 1980 it has been the home of The European Center for Training Craftsmen in the Conservation of the Architectural Heritage — a unique institution that attracts students from countries (50 so far) all over the world.

"It came about," said Wolfdie trich Elbert, the German architect who is the center's director, "in 1975, European Architectural Her-itage Year, when some of the people involved started saying: new laws, declarations, good intentions are fine, but can't we leave something practical behind?

At that time many ancient craft skills — essential for the proper restoration of old buildings and their interiors - looked in danger of extinction. But San Servolo has succeeded in turning the tide by offering three-month and twoweek intensive courses on techniques ranging from fresco, stucco and stonework, to marquetry, architectural woodcarving and metal



Student working on a fresco exercise in center's garden.

chasing. Students are supported by generous scholarships, and live and work on the island, often bringing their families (since the average age of students is around 30).

He said the center is unable to pay high fees but has no difficulty attracting the finest craftsmen to teach "above all because they are so keen to pass on their skills." Elbert led me through lush gar-

of the lagoon's sunlit waters could be glimpsed, to an outbuilding where a two-week intensive course on scagliola, marble stucco work. was in progress. A group of various nationalities was beavering away producing "marble" panels from the traditional mixture of gypsum, glue and pigment, and even a full-scale archway, based on a Palladio

dens, from which sparkling vistas

drawing. The technique is oow so rare that it costs more than real marble, but is very durable. Mastering such a skill can be not

just deeply satisfying but also lucrative. One San Servolo graduate now finds himself in constant demand in his native Australia, restoring period cinemas, and modera architects, too, have beeo rediscovering the potential of this

technique. Elbert showed me the other workshops, including a stone-carving studio which has, among other projects, replaced some of the missng pine-cone ornaments on the parapet of the bridge by the doge's palace, and a smithy's forge, where students not only learn specialties such as hammer welding but also to make their own tools.

"We like to emphasize," said Elbert, "that, though we may be learning from the past, we are forward looking." And, in fact, it quickly becomes evident that the center is constantly engaged in test-ing the properties of building and

decorative materials.
Having established its international repotation, the center plans to expand its activities, widen the range of people taking courses and involve private industry. Yet unsympathetic and unhelpful treatment at the hands of the local government authority that still owns San Servolo is inclining the center to seek less problematic premises.

The center would clearly prefer to stay in Venice, which provides an unparalleled artistic environment for students. But it has already received several invitations to move to other European cities. Their departure would be entirely Venice's loss — and cast severe doubts on the credibility of local and national officials who are so vocal in claiming to have the city's future at heart.

Brownline

European Center, Isola di San Servolo, CP C676 130100, tel: 041-526 8546, fax: 041-276 0211.

BOOKS

A JOURNAL OF THE 80th

By May Sarton, 332 pages, \$21.95. W. W. Norton.

By Donald Hall, 123 pages, \$15. Beacon Press.

Reviewed by Herbert Mitgang

R ECOVERING from major illnesses, May Sarton and Don-ald Hall, two of America's admired poets, send a common message in their new books: work is necessary medicine at whatever age. Keep the mind going even when the body parts are breaking down. Working oo your oext book (or whatever you do for a living) is a way of thumbing your nose at physical adversity, of saying never say die.

On the front porch of his bome in Flat Rock, North Carolina, Carl like some odd religious sect. Almost to the end of his life, Sandburg had a

new poem working on him, and be worked right back at it.
"Encore," the title of Sarton's

book, is a life-affirming statement. The author, now 81, kept a journal of her eventful 80th year. She was recovering from a stroke and was often in pain from other ailments, but she kept writing. Her journal is discreet about herself and her friends, literary and filled with evcryday trivia. At the same time, she is concerned about what's going on

in the world. Sarton often looks beyond her beloved garden in York, Maine, to the world of literature. Certain books remind her of some of this century's literary preoccupations, "from the Holocaust to the Spanish Civil War, from Hemingway to the Bloomsbury circle." Comparing her own work as a journal-keeper to the many books of personal advice that

his 65th year, was told he had can-cer. Two-thirds of his liver was removed. He had written a biography of Henry Moore in the mid-1960s, and now was a perfect time to remember what the great sculptor had once told him:

The secret of life is to have a task, something you devote your entire life to, something you bring ev-erything to, every minute of the day for your whole life. And the most

Sometimes it affects someone and family farm in New Hampshire has actually changed the way of life since then has brought him closer to of quite a few people."

Halfway through the writing of call up the past, the characters of his "Life Work," Donald Hall, now in parents and grandparents, the discovery of what it means to be a member of the U.S. middle class.

> Writing with death hovering in the wings. Hall is remarkably san-guine. He writes that he is more concerned about his wife, the poet Jane Kenyon, than about himself. Then he wonders if he's being too egotistical for thinking that he is that important to her.

At the end of "Life Work," Hall important thing is - it must be measures the days and bours, the something you cannot possibly do!" distractions, the kind of writing be Hall's business is writing poetry. can bandle in the future. "If little He happily says be has never poems announce themselves I will worked a day in his life; instead, he open the door; they knock infrestays home and writes poems, esquently these days," he writes. "But says, stories, children's books, biography. In this brief but telling jects, I will do short stories, chil-memoir, be describes the balancing dren's books, new short poems, act of carning a living, living amica-maybe another essay of this length, flood the marketplace, she writes:
"I suddenly realized what it is bly with one's family and friends, certainly essays of a thousand Sandburg one of this century's most about my journals that may be revered poets, once told me: "Do you know what I am? I aughing at the thought of old age, be made the word sound in solitude. I describe a way of life.

I studently realized what it is only with one's raminy and triends, aiming for the impossible as a writer and staying alive.

I studently realized what it is only with one's raminy and triends, aiming for the impossible as a writer and staying alive.

His frutful career has included in shought of teaching at the University of Michigan from 1957 to 1975. Living on his one's raminy and triends, aiming for the impossible as a writer and staying alive.

His frutful career has included in shought about 1995 I do not teaching at the University of Michigan from 1957 to 1975. Living on his

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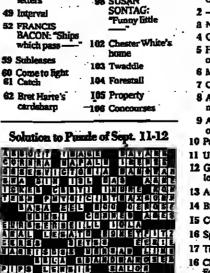
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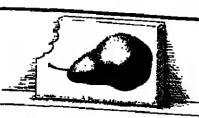
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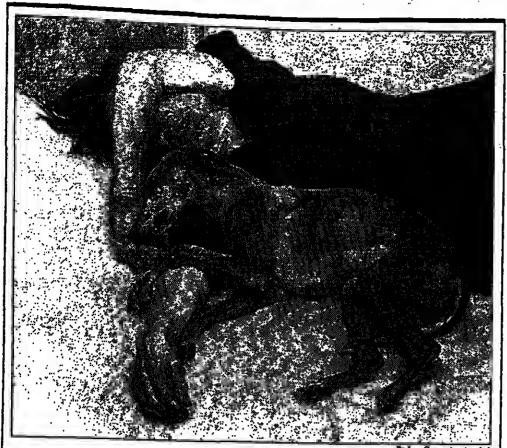
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"Double Portrait" by Freud from exhibition at Whitechapel Art Gallery.

Freud's Nudes Reveal A Brooding Intensity

By Claire Frankel

ONDON - "What do I ask of a painting?" asked Lucien Freud in the 1987 Nacional Gallery catalogue, "The Artist's Eye," "I ask it to astonish, disturb, seduce, convince." Now six years later, the exhibition at London's Whitechapel Art Gallery (until Nov. 21) emphatically underlines his demands.

No one can paint flesh as Lucien Freud does. He builds up a rich impasto, mixing it with enormous assurance and control, molding it to his realistic three-dimensional forms.

The Berlin-born grandson of Sigmund, Lucien Freud's energy and originality brings a sense of urgency and boldness to his work. His portraits, whether head and shoulders or oude body, reveal a brooding intensity. Freud metaphorically climbs inside the model's body, capturing the snew and

"I would wish my portraits to be of the people, not like them," he has said. "As far as I am concerned the paint is the person."

For this reason, his models are almost invariably people he knows very well; family, lovers and friends painted in his austere studio. His private life is completely intertwined with his work, although cames rarely identify the models on the canvas. Freud's involvement is so patently clear the viewer often becomes voyeur: What was his relationship with the model? What is the affinity between the pair of models?

Freud, 71, a handsome man with piercing blue eyes, is often accused of eroticism but his paintings are not crotic. He examines the model, including his daughters, intently for six or seven hours, nude, exposed, vulnerable. Many of the female nudes have an anguished, fearful expression, their angularity often emphasized by awkward positions. Freud has said that he does not place his models, but wants them to relax in their own way. Nevertheless, some of the nudes belie this instruction, looking uncomfortable in poses more associated with gynccology. On the other hand, those wearing clothes look extremely relaxed as in "Double Portrait," which depicts a girl with a satiny dog asleep at her side, his head on her shoulder.

Freud shocks because the viewer is unaccustomed to nude paintings of oormal, as opposed to idealized bodies. Often the models are not "pretty." For many, this warts-and-all approach is unnerving, embarrassing, even offensive. He is never sentimental and his scrutiny is sharp. Concentrat-

ing since the late 1960s and until recently on the female nude, he seemingly portrays every hair, every vein, each nuance, bulge or bone. He has destroyed the established, classical view of art and the use of the nude.

In an interview with his male model Leigh Bowery, Freud acknowledged the possibility that "through my intimacy with the people I portray, 1 may have depicted aspects of them which they [the viewers] find intrusive,"

The exhibition features a group of six onde paintings of Leigh Bowery, who has been Frend's model since 1990. In a new response to the male form, he paints genitals, rarely painted in such realistic detail. There is cothing prurient; it is simply part of the body and, as such, no less important or interesting than an ear or a foot.

Curiously, knowledge of the identity of some of the models becomes an intrusion, diminishing the impact of a painting of voluptuous realism to that of a particular person.

"And the Bridegroom," painted this year, positions a oude man of substantial bulk sprawled across the bed on his back. His small boney, female partner is curled beside him, her leg, searching for space on the bed, is thrown across his outstretched high. A black screen frames and enunciates their spent bodies. But we know the bridegroom is Leigh Bowery and we are distracted in the enigmatic joke

politan Museum of Art in New York (Dec. 16-March 13), then to the Centro de Arte Reina Sofia in Madrid (April 6-

The Metropolitan deleted from its show "Frag-mens of Leigh," an explicit portrait of waist and crotch. They recently bought "Naked Man Back View," which emphasizes Bowery's massiveness by placing him on a low white feminine footstool. Angles and textures formed by the hanging sheet, impastoed wall, smooth wooden floor and fuzzy rust carpet conspire to focus on his body.

Freud is a perfectionist. The Duke of Devonshire, whose portrait and those of his family hang in his private apartments at Chatsworth, relates that after 36 sittings of two hours each, Freud phoned him. "I'm sorry," said the painter. "I want you back. I'm not satisfied with the silk of your shirt. Rembrandt wouldn't have been satisfied and neither am 1."

Claire Frankel is an American journalist who lives

Roman Britain, Intact and in Context

ONDON - For the oext three months, those for whom the distant past and buried treasures hold an irresistible lure have a chance of seeing a small group of silver ves-sels, gold jewelry and coins from what is perhaps the most remark-able archaeological salvage ever carried out in Europe.

After Jan. 15, when the objects from the late fourth and early lifth centuries on view in the British Mu-

SOUREN MELIKIAN

seum's Gallery of Coins and Medals are taken down, anything may happen. Earlier this month, following a coroner's inquest, they were declared a "Treasure Trove." Ac-cording to a custom established in the 1920s to protect the archaeolog-ical heritage, the finder is entitled to a reward equal to the market value set by a special committee.

If the British Museum should be

unable to come up with the \$1 million to \$2 million likely to be cited, the most precious archaeo-logical archive ever to he preserved virtually intact in Western Europe will return to the finder. He will then be at liberty to sell it piecemeal if he so wishes. It would be an irreparable loss to European cultural history. The story begins on Nov. 16.

1992. Eric Lawes, a retired gardener, was running a metal dectector over a grassy patch at Hoxne, Suffolk, looking for a hammer lost by a next day. Speed was crucial befriend, or so reports say. Suddenly cause once word was out that a the detector buzzed frantically. Lawes scratched the ground, dug up a silver coin, then another, then gold necklaces and silver spoons. Realizing that this was no ordinary find, he alerted the Suffolk Archaeological Unit.

TITH lightning speed, a team led by a field archaeologist specialized in Roman Britain arrives. Sooo they catch glimpses of objects fragile and brit-tle, which raise major conservation dish were slowly separated — the problems, and they are buried in a complete cleaning has yet to be context as precious as the objects undertaken. Fragments of organic themselves for the information it padding, probably hay, and traces may yield. The decision is made not to break up obvious groups and to This, repeated dozens of times, has carry out the detailed excavation — built up the most accurate and in-one might say extraction — in lab- formative archaeological record oratory conditions. Keeping a close ever in the British Isles and probarecord of every stage, they carve up sections, each ooc of which is treated as a documentary "context" to be carted off to the British Muse-um. sioo of laboratory work, we know percent of the 14,124 silver coins, or siliquae, in the hoard are clipped

A photograph in the show illustrates the "recovery of context 34." An ordinary man's eye only sees a mass of sandy soil. Though the presence of vessels could be inobjects of gold or silver so far recorded. Tiny silver mounts, hinges and padlocks plus 150 minute pieces of bone engraved with geoferred, the whole complex was very fragile and X-ray examination was needed before further escavation metrical patterns suggest that small caskets were stashed inside the box, could take place," the label notes. It did indeed, in the British Musebelieved to have measured about 60 hy 45 by 30 cenometers (24 by 18 um laboratory where all the material from the excavation, completed by Nov. 17 at night, arrived the

treasure had been found, the site would have been vandalized withwith a high degree of probability to the years 410-430, a crucial period oot heavy police protection. From Nov. 19, for two weeks, Catherine Johns, a curator and historian of Roman British art, and Celestine Enderley, a metals conservator, oversaw and recorded bit by hit the finer detail of the excavation. Out of the sandy mass of "context 34," for esample, four small silver bowls stacked upside hand two silver coins carry the name of Constantine 111 (407-411). The year 410 is conventionally

when Honorius, io answer to a reof textile wrapping were found. quest for help against the threatenain must fend for itself. Coins then stopped flowing io from Rome. The ensuing coin shortage led to hly Europe as a whole concerning the clipping of existing coins and the minting of imitations. This no doubt explains why more than 80 percent of the 14,124 silver coins, Thanks to the unrivaled preci-

the robbery itself. ft's brilliant."

Dublin, to which Sir Alfred donat-

ed the Vermeer, the Goya and the

He said the Goya, which had

Princesse de Lamballe.

midity damage."

ECAUSE the coin hoard was recovered in toto together with the objects, the burial can be dated

Female bust of chased silver, part of the archaeological trove of late Roman treasures.

contained the 14,780 coins and 200

of Briosh history when the links with Rome were broken off. Of the 565 gold coins, or *solidi*, 310 date from the reign of Emperor Honorius (393-423) and 147 from the reign of Arcadius (383-408). Almost in mint condition, they had not been in circulation for long. On the other

accepted by historians as the date ing Saxons, wrote to say that Brit-

fittings indicate that a wooden box the fifth century that have so far been identified. The insight that the hoard provides into a rich household is fasci-

care prior to burial. Corroded iron and, perhaps, the 178 forgeries of

nating. Spoons, it seems, were treasured — 78 silver specimens have been recovered, many with inscriptions naming the owner in capitals inlaid in niello. Some are delightful works. One

model has the bowl attached to a short S-shaped handle terminated with a duck bead. It is known outside Britain from the Kaiseraugst hoard in Switzerland, but the detail points to an original regional school. The "marine panther," engraved and gilded, is handled with a cartoon-like sense of fun. In another spoon, a bearded man seen head and shoulders glares with the merest suggestion of a squint and a baroque curly hairdo perched on his head like a cap.

A single handle in the shape of a tigress with stripes inlaid in black neillo is a bit of an enigma. It must have belonged to a two-handled amphora. Yet, no traces of solder or of the amphora remain, as if the handle had been packed and buried for its own sake, It is a Near Eastern idea handled in Roman fashion somewhere around the Mediterranean. Could this be a souvenir?

Most astonishing is the silver feminine bust made of chased sil-

ver. It was part of a pepper pot as shown by the pierced base and the swiveling circular plaque with two clusters of pin-size holes. When these coincided with the heartshaped openings in the base, the pepper came through. Stylistically, the object is remarkable. The eyes. irregularly set, the minuscule pupils, now hollow, which may have been inlaid, give it a striking expression anticipating some of the much later medieval silver sculp-\$61

Two other pepper pots display a war remarkable animalier style in min-2 deiature scale. The reclining ibex inkly. one is a Middle Eastern theme butllion the artistic interpretation is entirely the its own.

sown.

Some of the gold jewelry is amer: revelation. A "chest band" consists/ash of two bands of gold wire formingth to chevron patterns that cross over theberg chest, linking in a central brooch. A Romano-Egyptian pottery figure inappearance those who wore them must have made.

OST precious to historians are the 22 objects that name the owners. A bracelet has an inscription in Laon capitals on a scrolling ground wishing "fe-licitous use to Dame Juliana." A set of 10 matching spoons carries dedi-cations inlaid in niello to Aurelius Ursicinus, Several characters called n-Ursicinus without a forename areroknown from documents. Eventual-an ly it may be possible to relate thetespoons to one or the other.

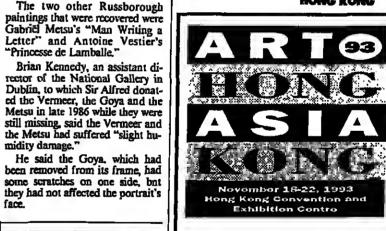
Taken in conjunction with other 17treasures, the Hoxne hoard becomes even more important. Johns! .a observes that 24 overtly Christian is symbols or phrases have been revcorded on the objects and none of "paganism," in contrast to the 54. Thetford treasure, which produced lid "numerous pagan inscriptions." CS. We thus learn that religious allegiances varied in the establishment nt.

Those who buried the treasureds meant to return, otherwise they be would have taken the pieces aloog d-Concealing precious objects underground was normal procedure in 16, actiquity for those who went abroad, Johns says. Did mounting is insecurity deter them from coming d-back? Future research, perhaps fu-15back? Future research, perhaps fu ture finds in an area that has yield-ce ed others in the past, wantonly es scattered and thus lost to science, will provide the answer one day.



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> COLLECTOR'S GUIDE

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In Paris, in addition to free tours of the Marais area in French, two volunteer members of the heritage group Paris Historique are offering guided tours in English.

Alfred de Graaff, an American now in his fifth year of leading the tours, particularly recommends vis-its to the Hotel des Ambassadeurs de Hollande; Le Vau's Hôtel d'Aumont on the Rue de Jouy, which has become an administrative tribu-nal; and the Renaisance Maison de Marie Touchet, hidden behind a

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modern building.

There will be three tours of the Marais for English-speaking visi-tors, at 11 A.M., and at 2 and 4 in the afternoon. Each tour covers 10 sites and lasts one-and-a-half

The tours begin at the headquar-ters of Paris Historique at 44-46 Rue François Miron in the 4th Ar-

Information on visits in and outside of Paris is available by telephone from the Caisse Nationale des Monuments Historiques at 44.61,20.00.

AUCTION SALES

OCTOBER SALES IN TEL AVIV

Dierdre Rowsone, the administrator of the collection at Russborough House, said in a telephone

New York Times Service

ture, furniture, textiles and

costumes, which the auction house estimated would bring \$5 million to

\$7 million, has been postponed a year. The delay results from a chal-

lenge to the dancer's will that has been filed by Nureyev's sister and niece, who live in Paris.

Unusual opportunity for

gallery director or art dealer to establish point of sale in

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EW YORK - The

two-part sale at Chris-

tie's of Rudolf Nure-

yev's paintings, sculp-

Nureyev Auction Delayed

these four paintings, particularly

the Vermeer and the Goya,

Stolen Vermeer and Goya Found

ARIS - Two extraordinary paintings, a Vermeer and a Goya, have been recovered by the police in Belgium seven years after they were stolen from a private collection in The paintings, Vermeer's "Lady Writing a Letter With Her Maid"

By Alan Riding

and Goya's "Portrait of Dona An-tonia Zarate," were among the most valuable works of art to have disappeared into the hands of thieves in recent years.

They and 16 other paintings were stolen from Sir Alfred Beit's collection at Russborough House near Dublin in May 1986. All but three of these oils — Rubens's "Head of a Man" and two small 18th-century Venetian landscapes by Francesco Guardi - have now been recovered.

It was considered one of most important art thefts since World War II, though it was eclipsed in the public's mind by the still unsolved disappearance of 12 masterworks from the Isabella Stewart Gardner Museum in Boston in

The Belgian police discovered the Vermeer and the Goya when they arrested three Irishmen and a Yugoslav who were driving two rented cars near Antwerp on Sept. 1. The police also found six other artworks: two more paintings from Russbor-

Marc Chagall, The Cockers, 1950, signed,

oil on canvas, 55 by 45cm. Estimate:

\$600,000-800,000. To be sold in Tel

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"ART EXHIBITIONS" "AUCTION SALES"

End the Vietnam Embargo

Sooner or later some American president will find the courage to end Washington's now-pointless vendetta against Communist Vietnam. That president might as well be Bill

Clinton and the time might as well be now. The public debate on U.S. Vietnam policy focuses on Hanoi's cooperation in locating the remains of servicemen listed as missing in action since the Vietnam War. But the biggest obstacle to normal diplomatic and economic relations is America's wounded national pride and White House fears of a ferocious backlash.

This week Mr. Clinton took the latest in a series of modest steps meant to reward increased Vietnamese cooperation in the search for soldiers missing in action, or MIAs.

George Bush began the process last year by letting U.S. companies prospect for future business in Vietnam. Then Mr. Clinton dropped longstanding American objections to loans for Vietnam from international development banks. He also stationed American diplomats in Viennam for the first time since the war's end. On Monday the administration announced that U.S. companies could bid for business financed by the development loans.

These steps are all welcome, but there is no

good reason not to go all the way. Controversial documents recently unearthed from Soviet archives suggest that Hanoi may have understated the number of prisoners it held 20 years ago. But despite the claims of Senator Robert Smith of New Hampshire and others, there is no persuasive evidence that any

Clinton administration officials report that Vietnam's government is actively cooperating in the search for MIA remains.

Even if Americans were being held, the chances of discovering them could only be improved by an increased U.S. diplomatic and business presence in Vietnam. If convincing new evidence were found, sanctions could be reimposed, and allies could be asked to join in.

The embargo did apply effective pressure in the 1980s, when other countries also restricted trade and investment to protest Hanoi's occupation of Cambodia. But most countries dropped their restrictions when Vietnam withdrew its troops and cooperated with efforts to establish an elected Cambodian government.

Now America's European allies, along with the main non-Communist governments of Asia, are forging new links with Hanoi, sustaining its pro-market reforms and encouraging its peaceful integration into the Asia-Pacific region. With the rest of the world investing and trading in Vietnam, the U.S. embargo has little effect. In the small Vietnamese market. America's absent companies are readily replaced.

America's interest in Vietnam lies in successful reform and regional integration, not endless refighting of the domestic politics of the Vietnam War. There may never be a politically smart time to take the plunge. But the right time is now.

The Governors Are Happy

President Bill Clinton spent 12 years as Arkansas's chief executive and was a leader in the National Governors Association, where he won his reputation as a policy maven. The governors are very serious about the details of public policy, since they end up having to administer many of the things Washington dreams up. Governors are thus given to a good deal of impagence with Congress for mandating programs on the states without

National Performance Review was yet another reminder that Mr. Clinton has not forgotten his friends among the governors. The report is full of suggestions that governors love. For example, it would consolidate 55 federal programs worth \$12.9 billion into six "flexible grants," giving states more freedom in the use of federal funds. The report suggests more authority for cabinet secretaries and agency heads to waive various federal rules

solve, the report noted that Florida has won a two-year federal waiver to permit it to use Medicaid funds for hospice care for AIDS patients. Since getting the waiver renewed currently takes 18 months, Florida will have to reapply for the waiver after the current program is only six months old.

The report also includes the standard call

for limits on unfunded mandates. And it wants the Department of Housing and Urban

While more flexibility for the states is in principle a good idea, advocates for various causes — especially for increased assistance to the poor —worry that looser federal mandates will make it easier for governors and state legislatures to move money away from constituencies that lack political closs. The Gore report claims that the federal government could save \$3.3 billion by allowing state and local government to consolidate various programs in exchange for a cut in federal funds provided to administer them. But the Center on Budget and Policy Priorities fears that if the administrative savings proved smaller than the amount of lost federal funds, this proposal could force cuts

at least the report offers a chance for a realistic debate about how federalism should work. That subject has too often been distorted by political imperatives. Republicans may be de-voted to the cause of decentralization and increased power for the states. But in the Reagan era, they all too often used "federalism" as a cover for simply cutting federal funds and letting states fend for themselves. Mr. Clinton is obviously no enemy of federal spending, yet he also believes in giving more authority to the states. This gives him a chance to get Congress and the nation's governors talking plainly to each other about just how many strings Wash-

Clever Oslo Can Play an **Ongoing Role**

By Stephen S. Rosenfeld

JASHINGTON - Norwegian diplomacy W made a crucial contribution in setting up secret Israeli-Palestinian talks and, beyond that, in steering those talks toward agreement. In all the celebration of Middle East peacemaking, however, the assumption seems to be that the facilitating and mediating role of small, independent Norway is over. Is it? The question bears centrally on how the peace process had best oow proceed.

It had become almost an article of faith that only a vigorous American role could induce suspicious Israelis and Palestinians to make, to the United States, the necessary concessions that they could not make to each other. The well-publicized onset of Secretary of State Warren Christopher's direct personal involvement earlier in the summer had been widely and positively taken as confirmation of U.S.

The unique superpower stams of the United States makes it the dominant actor, by acts forgone if not by acts committed, even when its visible role is subdued. But at the entring edge of day-to-day policy initiative, there is room for play. This we could see, looking backward, when Norway's part in the yearlong back-channel Middle East negotia-

At first the common impression was that the Norwegians had by some quirk of circumstance found their way to a gambit that by chance and good fortune happened to pay off. But then it became clear that the Norwegians had given us all a lesson in practical statesmanship.

Their access and their acceptance came not from chance or intrusiveness but from the protracted deliberate cultivation of contacts and the building of credibility with Israel's Labor Party (by Norway's Labor government) as well as with Palestin-ians (through Norway's work in humanitarian re-

lief and peacekeeping).
One can guess that the evident disinterest of this

N EW YORK — When Mena-chem Begin came to power in Israel in 1977, American Jews fell

into a state of shock. After a 30-year

romance with Israeli social democ-

racy, during an era of umbroken Labor Party rule, we were unpre-pared to see Begin the hawk, Begin the old terrorist, Begin the expan-

sionist, become prime minister.

At the time I was head of the
Conference of Presidents of Major
American Jewish Organizations.

As an unreconstructed dove, I

had every reason to fear Mr. Begin's

ascendancy. But I sent telegrams urging Jewish leaders to allow Israe-

Mr. Begin and his party had been

elected by the people of Israel, in a

democratic process unique in the

Middle East. It was our obligation

to give him a chance. He did not

Today, the shoe is on the other foot. Yitzhak Rabin, whose resigna-tion as prime minister in 1977 pre-

PARIS — The last few years have

harder to make peace work than to

sustain war. That is not because gov-

emments or their peoples are naturally better at fighting, but because war and threat of war provide an overrid-

ing focus for effort and for easily

explained priorities.

But peace is the condition for all the other things societies seek — security, prosperity, the confidence to build

and grow. The same lucidity of spirit

can and should be brought to bear for

it, and the same careful planning.
That theme runs through a plea by
Manfred Wörner, the NATO secre-

tary-general, to confront the "disor-

der and crisis of confidence" which

"are once again dominating our European agenda." Actually, his geographical sight was larger, as he pronounced the current catchphrase
about NATO, "out of area or out of
business," to be "out of date.".

In the exultation and yet apprehension greeting the Israeli-Palestinian accords. President Bill Clinton

ian accords, President Bill Clinton

acknowledged that a whole complex of new international security con-

highlighted the truism that it is

nocracy its due.

disappoint us.



Nordic country in a particular Middle East out-come helped make Oslo palatable as a go-between. This is on top of the deft professionalism of For-eign Minister Johan Jorgen Holst and his aides. They brought into the same room, and the same texts, the two most distrustful parties in the world. I suspect there was a further consideration. In dealing with Norway, the parties could try and fail in relative obscurity and without all the drama,

weight and publicity that attend American partici-pation in regional diplomacy. If the exercise failed in Norway, it would not be the end of the world. The progress may also reflect the change that comes over a negotiation between two sm

when a big shot joins in. The small-fry can hardly avoid shifting some of their focus from negotiating with each other to seeking the big shot's favor.

Some of that familiar and reflexive turning to Washington is bound to be not only unavoidable but useful as events move on. We Americans have our strategic and economic interests. We have, still, the horses, including money and n military and a diplomatic service practiced in evenhandedness. We have a president who, especially after the Rabin-have a president who, especially after the Rabin-Arafat extravaganza and with all his emphasis on domestic affairs, is now plainly tempted by high-wire Middle East engagement.

To the Hawks: It's Your Turn to Give It a Chance

By A. M. Schindler

policy. Still, their alarms and their badgering are sure to make peace-

making more difficult. On the twist-ed road from Gaza to Jericho and

from Jerusalem to Arab capitals,

If their hope is to derail the peace

Ask these naysayers, in the words of Hillel, "If not now, when?" The

answer is sanctimony but no sub-

stance. In their ideological rigor

mortis, these groups see peace as the weak sister of victory, not the bride

If not now, when? It is now that Israel is in full command of the peace

process, with leaders whose peace-

making skills match their military

provess, and with security arrange-ments more favorable than the ones

Mr. Begin accepted at Camp David. It is now that the American govern-

ment's role as guarantor of the peace is unaffected by Cold War concerns.

work efficiently without the political

will and unity of its member na-tions." But NATO's structure is such

that it is better able to concentrate

will, and thus to act also in a United Nations context when called upon.

not to find a reason for continuing to

exist; that should be obvious in this

world of chaos. The problem is to

find the concrete way to define what

Necessarily, as Mr. Worner says,

its "major future mission will be to

project security to the east." He rec-

ommends that the coming NATO summit offer a serious prospect of future membership to at least some of

the ex-Warsaw Pact countries, even if

the alliance is not quite ready to take them in Russian President Boris

Yeltsin opened the door when be said

in Warsaw recently that his country would not object to Poland's joining. It is no accident that Poland, Hun-

gary, the Czech Republic and per-haps Slovakia are eager to be admit-ted. Nor should it be surprising that

it can do and wants to do.

The problem for the alliance now is

such sounds could cause disaster.

process, what is their goal?

of confidence.

NATO: A New Role and Mission Await in the East

By Flora Lewis

cipitated Mr. Begin's election, was returned to office as a self-declared

peacemaker. Now he is cobbling to-

Again American Jews are breath-less at the sudden changes. But I have heard no supportive words from unreconstructed hawks about

the need to uphold Israeli democra-

cy. Instead, Norman Podhoretz, who

more than once denounced as trea-son all public criticism of Israel, can-

not oow quiet his own "conscience." Americans for a Safe Israel, which

has long assailed the Israeli move-ment Peace Now as outsiders, now

attempts to delegitimize the govern-ment itself as an outsider. And the ultra-Orthodox Lubavitcher Hasi-

dim take out a full-page ad in The New York Times accusing Israel's

leaders of being willing "to sell Isra-el's security for a Nobel Peace Prize."

The collective influence of the re-

jectionists is not enough to affect

cerns needs to be addressed. He said,

Mr. Worner has some good advice. Addressing the International Institute

for Strategie Studies, he spoke straightforwardly. In the world today

you simply cannot live in security sur-rounded by chaos," be said, pointing out that the trans-Atlantic relation re-

mains the central platform on which

any chance for world order must rest.

ence that NATO must survive, and

with it America's role of leadership,

but also a potpourri of views on its appropriate future reflecting the un-

certainties and self-centeredness of

countries affected. The tragedy of Yugoslavia is a burning example of what
can happen when the able evade responsibility and the rest pontificate.
NATO is a unique institution in its
combination of means and social its

combination of means and goals, its insistence on being able and ready to

do what it says it intends to do. The United Nations visibly cannot. Of course, Mr. Womer reminds,

"no international organization can

There was consensus at the confer-

I am working on a strategy."

gether a structure for peace.

But what intrigues me is whether Israelis and Palestinians may not feel psychologically liberated by their success in hammering out, practically by themselves, the path-breaking accords on mutual recognition and first-stage Palestinian self-rule.

The parties regularly claim to speak, after all, in the name of carving out their own national desti-nies. Given the fact and habit of their dependency, they may remain profoundly ambivalent about practicing the independence they profess. But as they seek to consolidate their breakthrough, it may no longer be so certain that the two will need the inevitably loud voice and large weight of the Unit-

ed States every step of the way.

If this is so, then Washington will want to prepare to stay a bit removed from some of the parties proceedings. Norway or some other appropriate world citizen might still offer n hand. This might trouble come A precious and not just for might trouble some Americans, and not just for reasons of pride: The United States has reason to be involved in the making of any large and risky Middle East settlement it will be called on to underwrite. Already Mr. Clinton has been jumped by critics citing the secret Norway talks as evidence of his irrelevance or ineptness. The right response is that Middle East peace comes first.

It is now that the Arab powers un-derstand that the real threat they

face is not the steady achievements

of Zionism but the rampaging golem of Islamic fundamentalism. It is now that the influx of Jews to

Israel from the former Soviet Union

has upset the demographic contest

the Palestinians had expected to win.

those of us who support the elected leaders in Israel. They are veterans all, of the wars, the intelligence

gathering, the terrorism, the funer-als — what Prime Minister Rabin

called on the White House lawn "a pain [that] will never heal," From American Jews they deserve

fervent prayers at the very least -

not muttered curses from those who.

within the safe haven of these shores.

The writer is president of the Union of American Hebrew Congre-

gations. He contributed this comment to The New York Times.

still deify land over life.

This is the reading, at any rate, of

The Truth Behind the 'Paranoia'

By A. M. Rosenthal

N EW YORK — At this moment of first fragile hope, the theory that more than almost any other wounds Israel and trivializes history is still heard — now from Jews, Israeand American.

The theory was reported again dur-ing the celebration in Washington, For decades, it goes, the survival poli-cy of Israeli leaders rested on deep pessimism fear and defensiveness arising out of the Holocaust. No matter how strong the country became, they trusted no one, relied only on arms, saw themselves perpetually as victims who had to act defensively instead of free people determining their own destiny. This pop-psych history, now com-

ing from an Israeli political theorist called Yaron Ezrahi, is familiar. Usually it comes from Israel's enemies but often enough from Jews.

The only thing new is the update:
Yitzhak Rabin alone among Israeli

prime ministers was born in Israel, not in a European shietl, and has the confidence to reverse this Holocaust syndrome. He knows that power, not

just digging in, shapes the future.

f was sad to see this skewed theory
about Israel and of the Holocaust still
in circulation, still needing answer before it does more damage to the future and past. To believe the Holocaust syn-

drome theory is to believe what Isra-el's worst enemies say — that it was Israelis who brought a half-century of war between Jew and Arab.

The trouble with the theory is that those paranoid shtell Jews were ready to share Palestine with Arabs from the beginning. The Arabs refused. Then it was the Arabs, oot a bunch of pessimistic Jews, who attacked in 1948, provoked war in 1967 and at-tacked again 20 Yom Kippurs ago. And it was Arabs who shelled Israeli homes from across borders, who blew up Israelis and their friends around the world — and still do. locidentally, in previous stints in high office, Mr. Rabin must have been among the paranoids because be was not talking

Still, despite the Holocaust, despite the passion of the Grand Multi for it, of Saddam and his courtiers for another, most Israelis ached for peace with the Arabs they had been forced to defeat whenever paranoid fantasies turned into attacking armies.

Yes, there is a mental malady that afflicts Israelis and other Jews but it is oot the Holocaust syndrome. It is the tendency to confuse hope for the future with present reality. They need

neither can match the place in Holocaust history of the German and other European Jew-killers. The particular burt of the syndrome theory is that it twists and lessens the Holocaust itself. I do not know the "mean-

what it was not. It was not a rash, a fever, a syndrome to be treated with a policy pill or a command to get along now, forget it, forward march.

The theorists who think so cannot see the miracle that did come out of the Holocaust: Israelis, like others who care and remember, are not catatonically traumatized, curled up in a defensive ball, seeing enemies everywhere. They can get up in the morning, work, raise families, make love, make peace or war, distinguish friend from foe and bow to deal with each. And they continue to believe in the God who remains silent about what He permitted to be done to His chil-

Maybe that was what He wants to tell us was the "meaning" of the Ho-locaust — the miracle of mankind's willpower that followed. If so, it was

But those who cannot see the miracle really should not demean Israelis who live it, including those from shietls somewhere. Pray for peace but add another prayer for truth, upon

of public housing projects to local housing authorities with records of good management. providing the money to pay for them.

The report of Vice President Al Gore's

in programs for the needy. These are issues that should be pursued, but and mandates at the request of the states. As an example of the problem it is trying to

ington needs to attach to its money.

'May It Please the Court'

The U.S. Supreme Court is upset because a political scientist is making a commercial killing with recordings of the court's oral arguments. The court says it is "considering what legal remedies may be appropriate" against Peter Irons, who teaches at the University of California at San Diego, for selling recorded snippets from historie arguments.

Such preoccupations are unworthy of the justices' time, and imply that the high court's members own the sound of their own voices when they speak from the bench. Mr. Irons's recordings are flawed and amateurish; but if their honors must spend their energies on this subject, the right direction is toward wider circulation of a more polished version of their public deliberations.

Mr. Irons discovered that the Supreme Court had been taping its oral arguments since 1955. The National Archives let him dub copies of the court tapes under an agreement that Mr. Irons has clearly broken by commercializing them. He has boxed them in a \$75 book-and-cassette package unprophetically otled, "May It Please the Court."

More serious than this deception, and harder to forgive, is Mr. Irons's sloppy work and dubious judgment in editing the tapes and publishing a transcript of their contents

High court oral arguments are high drama and often high legal craftsmanship. Mr. Irons has boiled two dozen arguments down to excerpts of less than half their length, or what be asserts is the heart of each case. He has captured some of the drama, but with gross carelessness has misidentified the justices ask-

ing the questions in case after case. It is thrilling indeed to hear even smatterings of arguments in cases like Roe v. Wade, Miranda v. Arizona, the Pentagon Papers and the flag-burning controversy. It is valuable to hear Thurgood Marshall, Archibald Cox, Laurence Tribe, Robert Bork and others.

But it is appalling to hear Mr. Irons identify one voice, for example, as that of "Justice Marshall" — in n case that was argued five years before Mr. Marshall joined the court and in which be was not an advocate. It matters which justice is asking which question, and Mr. Irons repeatedly fails to identify questioners or,

worse, incorrectly identifies them.

What legal standing does the court have to litigate the rights to these public recordings? The court would be better advised to publish, and sell at cost, its own accurate and complete record of the oral advocacy that occurs in its hallowed hearing room.

-THE NEW YORK TIMES.

Other Comment

Assad, Minus His Backers

The issue between Israel and Syria is no longer one of principles but of price.

Damascus wants the whole Golan immediately, just as Sinai went back to Egypt. In point of fact, the Sinai is the only reasonable precedent. As Foreign Minister Shimon Peres told the Süddeutsche Zeitung:

the Egyptians did, they must also start the

same way, with confidence-building steps."
This is obviously what the Americans think,
President Bill Clinton has already telephoned President Hafez Assad, obviously not to swap pleasantries but to remind him of the strategic

simpler. There is no longer n Soviet Union to back n rejectionist stance. Who else does Pres-"If the Syrians want to achieve the same that ident Assad have left?



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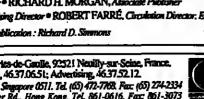
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logic in the Middle East.
The new Middle East logic could not be any ance. It has become obvious that NATO, despite its ongoing reforms, is incepable of "projecting stability into Eastern Europe and Central Asia," as urged by the NATO secretary-general, Manfred Worner. - Süddeutsche Zeitung (Munich).

Decision-makers including Mr. Womer, U.S. Senator Richard Lugar and Defense Minister Volker Ruhe of Germany have concluded that the alliance must take far-reaching steps to ensure its future: They propose open-ing NATO to Poland, the Czech re-

ublic, Slovakia and Hungary.
There is no question that NATO is the most important stabilizing force in Europe. But adding new members now might put its existence at risk, seriously eroding the strategic con-

sensus among current members. Proponents of expansion say that admittance of the new Central European democracies would stabilize the region and breathe new life into the Western alliance. Economic recovery would accelerate, they contend, and democratic transformation would take hold. Western Europe would no longer have to fear mass migration or other spillovers from conflicts to its East, Proponents of NATO expansion

say it is the best way to ensure the alliance's survival. This assumes that

NATO will wither away unless it extends its umbrella to states still facing a threat, and that somehow the mere

By Gunther Hellmann

and Reinhard Wolf fact of agreeing to new commitments would suffice to extend the alliance's

security guarantees.

But history is replete with examples of states disregarding their complex of states disregarding their commitments once an ally is attacked. Without political underpinning, formal commitments have no substance. NATO did not reassure West Euro-

peans and deter the Soviets simply because of its treaty obligations; the credibility of the mutual commitment was based on the members' common interest in containing Soviet power.

With the collapse of the Soviet Union, that threat disappeared. As the fierce squabbling over Boenia policy has revealed, NATO members' security interests have increasingly diverged. To admit new members to the alliance now would place the strategic consen-SUS under ever greater strain. The new democracies face quite different security problems — border disputes, eth-nic tensions — from those of most

current member states. Faced by a major armed conflict to the east, current NATO members would lack the strategic incentive to support the new members. Instead of bearing the human and financial cost of military assistance, most members, especially those geographically far removed, would be inclined to temporate. Disputes involving the new berg They contributed this comment to members might split the alliance.

Such an absence of common resolve — as dibering over Bosnia has shown — would hardly impress po-tential aggressors, or reassure their likely victims. Alliance prestige would suffer; likely challengers would see it as a paper tiger.

As matters stand now, differences

on Eastern Europe can be sidestepped without violating a central norm of the alliance. A lack of consensus does not constitute a paralyz-ing crisis for the alliance, but rather an expression of NATO's limited role

in European security.

Expanding NATO would not steer the alliance into safe waters. It would raise expectations about security assistance that would not be met. And if commitments are not kept when push comes to shove, the atli-ance will suffer, perhaps fatally. Rather than overburdening NATO with all of Europe's security troubles, the current members' interests (and European security more broadly) would be better served by keeping

expectations at realistic levels.

After an earthquake, the prudent architect does not propose to add n
new floor to a shaken house — be
secures the building's base. NATO
planners ought to keep this in mind.

Mr. Hellmann and Mr. Wolf teach international relations as, respectively,

members of the most successful club are reluctant to accept newcomers, wary of expanding their commit-ments or dilnting assurances.

But the security vacuum in the half of Europe which lived beyond the

Iron Curtain for so long is a danger to both sides of the lingering line. The old repugnant order must be replaced, or Europe risks disintegration of order, perhaps Yugoslav-style. If the Eastern states are not yet

equipped for the duties as well as the benefits of full membership, they should be given at least an intermediate status that provides a comforting horizon. Expectation in itself gives psychological security and a defense against nationalisms tempt-

ed to turn aggressive.

Mr. Yeltsin's stand seems to indicate that Russia (and Ukraine, one hopes) sees an expanded NATO nearer its borders as an added assurance, not a hostile exclusion. In any case, the ex-Soviet republics would remain in the North Atlantic Consultation Council and develop an increasing role in exercises for peacekeeping that NATO can undertake in partnership with the United Nations. It is one of NATO's virtues that it

is not impetuous. It moves deliber-ntely, and it should start now to work ont what kind of new arrangements are needed to enlarge Europe-an security, before the issue shifts from stability to crisis management. That is called deterrence, and the last half-century shows that when it is backed with resolve and appropriate force, it works. .

O Flora Lewis.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Attempt on Kaiser BUDAPEST — The Magyar Hirlan to-day [Sept. 18] states that the at-tempt alleged to have been made to wreck the train by which the Emperor Francis Joseph recently travelled was frustrated because of information

given by a Roumanian boy, named Constantin Lask. The lad stated earlies in the month that the line be-tween Bokszeg and Beeltarmand had been tampered with. A signalman immediately went to examine the track and he found that three rivers had been loosened. The line was promptly repaired, and a number of officials

were told to guard it by night. 1918: Arduous Advance

WITH THE FRENCH ARMIES -Creeping on all fours over the plateau and up ravines swept by German quickfires, seeking out hidden machine gun nests and reducing them with grenades when found, General Mangm's men are making one of the would become legendary.

most courageous and most admirable fights of this war south of the Saint-Gobain Forest. These incomparable soldiers made 600 more prisoners yesterday (Sept. 16) under conditions of difficulty which can scarcely be appreciated excepting on the actual battle ground. Every hundred yards of advance made here weakens the pillar of the Germans' resistance in the Saint-Gobain Forest.

1943: The Duce's Plea

LONDON - [From our New York edition:] A voice purporting to be that of Benito Mussolini, the fallen fourder of Fascism, tonight [Sept. 18] heaped denunctation on King Victor Emmanuel III, called for "elimination of Fascist traitors" and bade Italians take up arms again by the side of Germany and Japan. In a radio speech, from an undisclosed place, the speech, from an undisciosed place, the speaker, represented as the former Duce liberated by the Germans, told the story of his rescue, which he said

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MIC SCENE

INDEX

syndrome but defense. The truth about Israel and the Holocaust is quite different. During World War II, the Grand Musti of Jerusalem, the Arab religious leader, and his followers rejoiced in the Ho-locanst and wanted more, more. Later Yasser Arafat, the handshaker, exalted Saddam Hussein for missile

attacks against Israelis.

that quirk to keep functioning. But leave Israelis and Arabs aside; ing" of the Holocaust.

Did God know? If He knew why was He silent? Jews asked that in Auschwitz and every day since. They get no answer from God or themselves. All that can be said about the Holocaust "meaning" is what was seen, smelled and remembered mountains of corpses, children's hair, skulls, teeth.

Whatever it was, I will tell you

dren, and their parents.

which it depends.

The New York Times.

International Herald Tribune, Saturday-Sunday, September 18-19, 1993

LEICA M6. A MASTERPIECE OF ART Leica





International Herald Tribune World Stock Index e, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmerk, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the Index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Approx. weighing: 25% Close: 125.53 Prov.: 125.93	Approx. weigning: 40% Close: 105.75 Prev.: 105.46	Approx. weighting: 35% Close: 93.49 Prev.: 93.66
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Indu			ctors				
	PA, close	Prev.	% change		Fri. close	Press, close	% change
Energy	105.00	106.14	-1.07	Capital Goods	102.99	102.88	+0.11
Utilities	113.08	113.16	-0.07	Raw Materials	104.26	104.13	10,12
Finance	118.43	118.57	-0.12	Constinuer Goods	90.47	90.2	+0.29
Services	115.81	115.88	-0.06	Miscellaneous	110.07	109.72	+0.32

ndex, a booklet is available free of charge by writing to

ECONOMIC SCENE

Two-Tier Wages: An Idea Whose Time Has Gone?

By Clifford J. Levy

EW YORK — In agreeing that new workers will receive lower wages than more senior employees get, Ford Motor Co. and the United Automobile Workers are turning to a cost-saving measure that seems to have fallen out of favor among management and labor negotiators in other industries.

When it came to prominence in the airline and supermarket businesses a decade ago, the two-tier wage system was bailed by some companies as an innovation that would allow them to maintain or expand work forces more cheaply. It allowed unions to make concessions without hurting current members. But the success of the strategy has often come down to this: Is it

Some companies

problems outweigh

have found the morale

healthy for management or la-bor if two employees performing the same work are paid sharply different salaries — with no hope of ever closing the gap?

Faced with morale problems among the rank and file and a recession that has squeezed new the cost savings. hiring, some executives have decided the answer is no.

"Nobody seems to be terribly happy with it," said Al Bauman, an economist at the government's Bureau of Labor Statistics. "There have been a number of contracts where they have dropped the two tiers or eased them out."

And unions say that instead of seeking two-tier wage settlements, most companies are now more interested in finding ways to control health care costs, and for all employees. "The dynamic that is driving everything in negotiations is health care," said Greg Denier, a spokesman for the United Food and Commercial Workers union.

Under a tentative three-year deal reached late on Wednesday, new Ford workers will earn 70 percent of current workers' wages for the length of the contract. But the new workers will also qualify for health benefits sooner than under the previous pact.

The old contract had a weaker version of two tiers, with workers

health benefits sooner than under the previous pact.

The old contract had a weaker version of two tiers, with workers receiving 85 percent of full pay for their first 18 months.

In the new settlement, the UAW is apparently trying to protect the pay and benefits of a large number of workers with substantial seniority. As car sales rise and older workers retire, Ford is hoping to use the provision to cut the cost of bolstering its work force.

While saying that the number of two-tier accords seems to have according according to the provision out that it is difficult to collect data on declined, economists point out that it is difficult to collect data on

See WAGE, Page 14

Belgium **Bans TV** Cartoon Channel

Compiled by Our Staff From Dispanches BRUSSELS - The Belgian government, backing France in a widening cultural trade dispute with the United States, imposed a ban Friday on distribution of the Turner Broadcasting System's oew cartoon channel in the capital.

The move came even as Ted Turner's Turner Broadcasting Sys-tem Inc. launched its network in London, the first multilingual, pan-European entertainment channel. The 24-hour TNT & Cartoon Network, which is based in Lon-

don, is carrying Bugs Bunny, the Flintstones and other American cartoon characters via satellite and cable television to 20 countries French authorities say the channel's 14 hours of cartoons and 10 hours of Hollywood movies, with stars like Humphrey Bogart, Fred Astaire and Ginger Rogers, went against an EC directive that says governments should try to reserve a

majority of air time for European-The dispute over Turner's new satellite channel is part of a wider dispute developing between France and the United States over whether television and film material should

be included in the current world trade reform talks. "We are quite concerned that the movement of goods must take ac-count of cultural aspects," a Bel-gian government official said. "It is not a question of whether it is American, Japanese or Australian. One should not see this as anti-

American," he said. "One of our goals is to defend our own culture," he said. "I like cartoons but one should keep a balance between different cultural activities."

The decision does not affect distribution of Torner's CNN news service, which is already licensed in the region, he said.

France will consider filing an official complaint against the Turner channel if it fails to broadcast enough European-made programs. (Bloomberg, AFX)

Now, 'Dr. Caligari, Part II' **Rebirth for Home of German Movies** By Brandon Mitchener

International Herald Tribune

BABELSBERG, Germany — A tour through Studio Babelsberg, a gritty film city southwest of Berlin, gives movie cuthusiasts a peek at European cinema's past, present and future.

In one scene, a sultan's dusty palace and a

dinosaur jungle titillate children too young to appreciate "The Cabinet of Dr. Caligari," "Metropolis" and "The Blue Angel," the early movies that made Babelsberg famous in the 1920s.

A few buildings away, film technicians and industry insiders watch a loud, violent science-

fiction movie in a new mixing studio that Babelsberg officials call the biggest and best in Europe. In the corner of another studio, a scale model shows what Babelsberg is to become, a futuristic Media City that bears little resemblance to the current collection of aging brick buildings and

What critics described as a confusing clash of values - culture and kitsch, history and high-rise development — Babelsberg's new owners call a pragmatic plan for a commercial comeback from half a century of isolation.

"Our analysis was that there is now only one big film center in the world, Hollywood, and that couldn't last," said Pierre Conveinhes, a Frenchman who has managed Babelsberg's business af-fairs since it was sold to France's Compagnie Immobilière Phénix, or CIP, and Chelsfield Properties, based in London, last year.

"Europe was a logical alternative," Mr. Couveinhes said, "and within Europe, Babelsberg was the logical site."

First used for filming in 1911, Babelsberg was home to Germany's Universal Film AG, or Ufa, at the dawn of cinematography, and outlived the Weimar Republic, Soviet occupation and East Germany, each of which tried to claim Babels-berg's history as its own.

Together with Volker Schlöndorff, a German director who won an Academy Award for "The Tim Drum" and is now co-manager of Babelsberg. CIP plans to use income from development of the site's 430,000 square meters of real estate to finance its return to the global cinematic scene.

Their plan calls for 410 million Deutsche marks
(\$255.6 million) in improvements to sets and stu-

'We want to work for the world.

Pierre Couveinhes, Babelsberg's business manager

dios over the next four years and 2 billion DM in development over the decade. If completed as planned, Media City will encompass all-new pro-duction studios, cinemas, a film school, offices, apartments and hotels in one of the most ambitions urban redevelopment projects in the former

East Germany.

Thirty minutes from downtown Berlin, it would sourist attraction to rival also be a Continental tourist attraction to rival Hollywood and Universal Film Studios in the United States.

Several industry heavyweights have already pledged their support, including the Ufa film and television operations of Bertelsmann AG, the world's second-largest media group, and Island World BV, one of Hollywood's biggest indepen-

"We want to work for the world," said Mr. Couvenhes, noting that Island World has already pledged to produce several big-budget movies in Babelsberg, in English, for the American market. Babelsberg also has a good chance of recruiting some French films, Mr. Couveinhes said. CIP is a

See STUDIO, Page 11

France Claims Trade Backing

Compiled by Our Staff From Disputches PARIS - France asserted Friday that the EC Commission had acknowledged that some of the French objections to a farm trade agreement with the United States were well-founded.

In Brussels, the commission denied exceeding its brief and said the deal to cut subsidized farm exports, which has stirred virulent protests by French farmers, did not breach

"We are very pleasandy sur-prised," a French official said, putting an optimistic spin on a commis-

questions on the trade pact, known as the Blair House agreement,

The document said the EC executive commission did not overstep a 1991 mandate from EC ministers, but French officials said the commission had acknowledged it exceeded an earlier mandate, given in November 1990.

The commission recognizes, a French official said, "that a certain number of measures in Blair House pose real problems and that there are well-founded criticisms."

"The commission backs France," an Agriculture Ministry spokesman said, saying the EC executive had implicitly recognized the Blair House agreement was not compatible with EC reforms of its

Common Agricultural Policy. In Washington, President Bill Clinton warned the Community not to try to reopen this "hard-struck bargain." He cautiooed against impeding "a rapid and suc-cessful conclusion" to the Uruguay round of negotiations for the General Agreement on Tariffs and (Remers, AFP)

US West, Citing Competition, to **Cut 9,000 Jobs**

ompiled by Our Staff From Dispatches years, or about 18 percent of its

work force in telephone operations. would take special charges totaling has 25 million telephone customers, sa.8 billion against third-quarter in a region stretching from Wash; carnings to account for the two actions. The charges mean U S Arizona. (AP, Bloomberg, West will post a loss for the quarter

and year. Chairman Richard McCormick said that despite the short-term ef-fect on earnings, the moves "will help assure our long-term financial health in an increasingly competi-

tive world." U S West plans in mid-1994 to begin shifting work from small offices in 560 communities in its 14-state service region to 26 centers in larger metropolitan areas. in December 1991, the company

announced plans to cut 6,000 jobs from its phone subsidiary, its largest. About 5,000 jobs have been cut so far. The other 1,000 are included in the 9,000 cuts anticipated by the end of 1996. U S West now em-ploys 50,650 people in the tele-phone unit and about 10,000 in other operations.

The company said it would be able to improve services while cutting jobs because of advances in

technology.

The local phone business in the United States, which has been a regulated monopoly for decades, is facing competition from cellular cable and other communications businesses. Many say the industry is on the verge of a mooumental change in which telephoning will become chiefly a wireless medium and wired systems will deliver twoway data, information and entertainment.

Increasingly, local phone companies are entering ventures with cable and computer concerns to prepare for new ways to deliver voice and data. U S West has made one of the most aggressive moves in this respect, a \$2.5 billion investment in May in the cable opera-tions of Time Warner Inc.

NEW YORK — U S West Inc. million charge in the third quarted facing competition in its local for the job cuts and said it was phone business, said Friday it taking a \$3.2 billion charge to de would cut 9,000 jobs over three preciate equipment more quickly: is U S West earned \$475.2 million

Denver-based U S West said it first half of this year. The companyh

Austrians Have Plan For Sell-Off

VIENNA - Austrian Industries AG announced a provisional restructuring plan Friday to move the state-owned industrial group out of the red and prepare it for privatization by 1994.

Under the plan, based on a study by S.G. Warburg that is subject to government approval, jobs would be cut by 43 percent, to 33,627 from 59,054.

Steel and engineering would become AI's main businesses. Other subsidiaries - in specialty steel, mining equipment, microelectronic and railroads — would be transferred to the government's financial holding company OcIAG.

One problem to overcome, according to the chief executive, Hugo Michael Sekyra, is the group's aluminum subsidiary, AMAG. Austrian Industries had expected to finance AMAG's losses with revenues from the privatization of the oil company OeMV. But OeMV said Thursday it expected a 1993 loss of 4.7 billion schillings (\$392 million) and would cut 1,600 jobs.

Czechs Surprised By VW Pullback

Compiled by Our Staff From Dispatches
PRAGUE — The Czech carmaker Skoda said Friday that it planned

to double production and introduce new models despite the last-minute

billion Deutsche mark (\$870 mil-lion) deal on Thursday 24 hours before it was to have been signed in London, a decision that the Czech government called surprising. Skoda executives said on Friday

day morning that the deal was off.

The automaker's chairman, Ludvik Kalma, said the announcement
at short notice was not very "elegant." But he said the reduction in
Volkswagen's investment would not
affect the Czech unit's development.
He said Volkswagen canceled

the loan to reduce costs and due to the acquisition of certain suppliers," an apparent reference to VW's decision to buy the Pamplo-na plant of SEAT SA, to help with

the 1.5 billion DM bailout of the troubled Spanish unit.

Mr. Kalma said VW would respect its commitment to take its stake in Skoda to 70 percent by

around 450,000 cars a year, by 1997.

The finance package canceled abruptly by Volkswagen had been negotiated with the European Bank

tization of formerly state-owned companies.

wagen's decision is the result of the

that it was "surprised that this decision was announced just one day before the scheduled signing." Skoda executives sidestepped

that they had been informed Thurs- questions on whether the agreement had been called off by José Ignacio López de Arriortáa, Volkswagen's controversial production chief.

> Volkhard Köhler, said Volkswager was investing, from its own re-sources, around 400 million DM in Skoda in 1993 and 350 million DM each next year and in 1995.

1995 and to build a new factory for a new Skoda model before 1997.

Volkswagen holds a 31 percent tional Finance Corp. and a consorstake in Skoda. The rest is held by the Czech National Property Fund.

cancellation of a large investment current situation in the automobile industry and the policy of the group's new management," the Volkswagen pulled out of the 1.4 Czech industry ministry said.

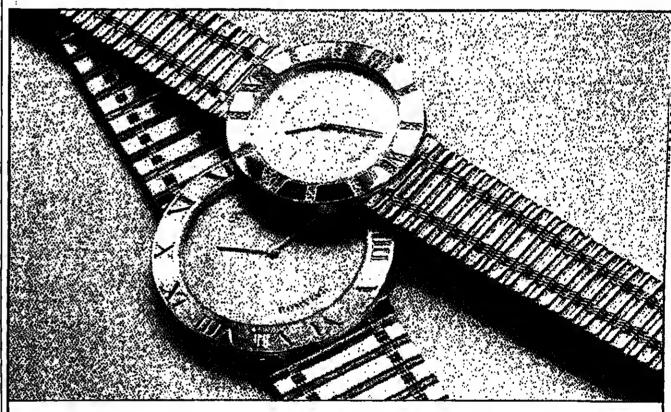
A Skoda spokesman, Jiri Hra-bovsky, said the company still planned to double production, to around 450,000 cars a year, by 1997.

"We understand that Volks-The ministry added, however,

CURRENCY & INTEREST RATES

1.0° 1.56° 197.70 12.57 72.13 4.25° 4.142 1.55° 1,660° ew York, Tarutio and Zurich, thángs in either capi

Sept. 17 **ECU** 64-6% 64-6% 64-6% 5%-6 7%-7% 2 %-2 % 2½-2% 7 %-7 % 7%-7% 3 14-3 14 3¼-3¾ 3 %-3 % **Key Money Rates**



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busiest days in its history on Friday, as expirations of stock deriva-tive contracts sent trading volume its record low close of 5.86 percent to a hectic 371 million shares.

The Dow Jones industrial aver- part to concern about inflation. age fell 17.60 points, to 3.613.25, as

N.Y. Stocks

Electric, issued disappointing earnings forecasts for the third quarter. Declining common stocks led advancing issues by a narrow mar-gin on the NYSE.

"Investors are starting to worry about whether corporate earnings will beat analysts' estimates," said John Brooks, director of sales and marketing at Notley Group.

Trading was the most active of the year, and the NYSE said the day's business was the seventhheaviest in history.

A majority of the trading was tied to the so-called triple-witching expiration of stock-index options A majority of the trading was tied to the so-called triple-witching expiration of stock-index options and futures and options on individual stocks, which typically leads to frenetic activity as money managers execute sophisticated computer-driven arbitrage transactions.

The report force term integer of \$3.8 billion to eliminate 9,000 jobs and to adjust for an executive charge of \$3.8 billion to eliminate 9,000 jobs and to adjust for an executive execute sophisticated computers of \$3.8 billion to eliminate 9,000 jobs and to adjust for an executive ex The rise of long-term interest

NEW YORK — The New York
Stock Exchange had one of the analyst at Smith Barney Shearson The benchmark 30-year Treasury Sept. 8. The rise in rates is tied in

Oil stocks fell after an analyst at two of its component companies.

Lehman Brothers cut his days an Eastman Kodak and Westinghouse estimates for the group and lowered estimates for the group and lowered his investment rating on Exxon, which fell % to 65%. Mobil fell 1 to

761/s, and Chevron lost 1/4 to 91. Kodak slumped 1% to 59% after the company said third-quarter earnings probably will be below last year's results of \$1.01 a share.

Westinghouse fell 1 to 13%. The electrical equipment company said carnings would be down 50 percent from the 22 cents a share earned in last year's third quarter.

sidered bad for GM because it fails to make major changes GM needs in

Shift in Rate Outlook Gives Boost to Dollar

NEW YORK — A shift of sentimeasure of the German money ment on interest-rate outlooks Frischply for August would show a day propelled the dollar a pfennig sharp decline when it was released, higher against the Deutsche mark.

Recent statements by Federal that Germany has room to pursue Reserve System governors that in-dicated the central bank would not The rumor were tied to the main

Foreign Exchange

traction for August boosted the dollar to 1.6140 DM from 1.6038

The bulk of the FMS interventional traction for the FMS interventional traction for August boosted the European Monetary System.

The bulk of the FMS interventional traction for the FMS intervention for the FMS

on Thursday. Currency-market intervention by the Bank of Japan, meanwhile, de-pressed the yen, which also was sapped by expectations of an interest rate cut to supplement an eco-man money supply, but in Angust, nomic stimulus package that has when the other central banks began

from 64.90 on Thursday as investors opted for the Japanese currency. "The mark-yen action helped bolster the dollar-mark parity," said Amy Smith, an analyst at

reduce U.S. interest rates combined factor that has lent support to the with speculation that the German mark lately: the painstaking efforts money supply would show a conmainly the Bank of France, to re-

tion, in which France and other countries sought to support their currencies by purchasing them for marks, occurred in late July. That would have tended to swell Gerfailed to impress many observers. buying back marks to rebuild their The dollar rose to 104.475 yen from currency reserves, the money sup-

ply would have tended to shrink. The dollar drew support from The yen, however, rose against the mark, adding strength to the dollar. The mark fell to 64.63 yen

The dollar drew support from statements reported by The New York Times on Thursday from David Mullins, the Fed vice chairman and Governor Lawrence Lindsey about a "speculative bubble" that could threaten U.S. financial markets due to an artificial asset infla-

The Dow **NYSE Most Actives AMEX Most Actives** 616 +116 10 - 16 1176 + 16 117 NYSE Diary Amex Diary 295 261 274 274 274 274 274

NASDAQ Diary

PARIS - Citizens and residents

hold, the French Economy Minis-

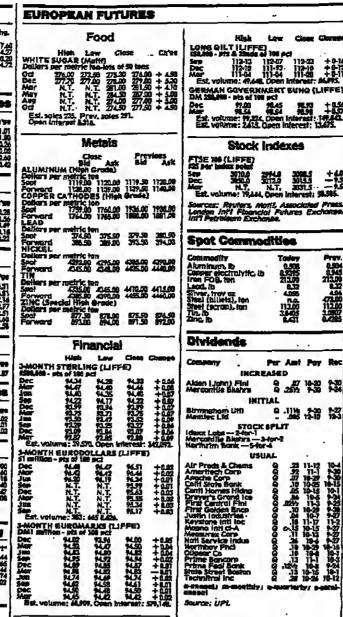
try said Friday.

BNP Sets Stock-Sale Terms

of European Community countries 30,000 francs (\$5,400).

will start Monday.

Standard & Poor's Indexes High Low Class Chips 51455 51422 51534 — 1,01 374,25 372,70 374,42 — 1,30 188,41 187,27 188,41 + 1,25 47,57 47,25 47,57 + 1,02 47,57 47,57 45,55 — 2,00 424,67 425,28 42,77 — 0,42 **MYSE Indexes** N799 Low Close Cha NASDAQ Indexes AMEX Stock Index **Dow Jones Bond Average** Market Sales N.Y.S.E. Odd-Lot Trading S&P 100 Index Options 34 RENT CRUGE OIL (IPE) DECTI DECH DECTI DECH DECH DECH 1



France to Reduce Taxes On Foreigners' Payouts 161.90 +0.90 161.00 +0.90 162.75 +0.90 162.75 +0.90 162.75 +0.90 162.75 +0.90 162.75 +0.90 161.75 +0.90 161.75 +0.90 161.75 +0.90 161.75 +0.90 161.75 +0.90 AFP-Extel News

PARIS - Economy Minister Edmond Alphandery said Friday that foreigners and nonresidents in receipt of dividends from French companies will, beginning Jan. 1, pay only 15 percent tax on those He said the change is a move to bring French tax rules into line

with international tax conventions and is simed at avoiding double taxation. Currently, such dividends are taxed at 25 percent.

U.S./AT THE CLOSE

Westinghouse Sees Sharp Profit Fall

PITTSBURGH (Bloomberg) — Westinghouse Electric Corp. said.

Friday that it expected third-quarter earnings from continuing operations

to plunge 50 percent from a year earlier.

Westinghouse blamed the drop in reults on its environmental services, electronic systems, power systems and broadcasting businesses, and weak economic conditions in Europe. In trading late Friday on the New York Stock Exchange, Westinghouse shares fell \$1.125 apiece, to \$13.75.

Stock Exchange, Westinghouse shares fell \$1,125 apiece, to \$13.75.

Revenue from the company's environmental remediation and hazardous-waste incinerator businesses has fallen sharply, with near-term improvement unlikely, Westinghouse said. Operating results for the full
year will be 10 percent to 20 percent below last year's results. Westinghouse said. But the company added that it expected a strong fourth
quarter to boost second-half results.

 Tenneco Loc. said that the consensus of analysts' estimates that it will carn about 45 cents a share in the third quarter, up from 28 cents a year earlier, are in line with the company's expectations.

(Bloomberg)

Eastman Kodak Co. said Friday that its sales in July and August were (Knight-Ridder) down about 4 to 6 percent from year-ago levels.

Hewlett-Packard Founder Resigns

PALO ALTO, California (Reuter) — Hewlett-Packard Co. said Priday its co-founder, David Packard, had resigned as chairman effective Friday. Mr. Packard, 81, founded the company with William Hewlett in 1939.

"At my age it's time for me to step aside," Mr. Packard said. The board elected Lewis Platt, currently chief executive officer and president, to the

additional post of chairman. Hewlett-Packard also said that four directors are leaving the board, and that three new directors had been named.

Itel Corp. Expects Big Pretax Gain

CHICAGO (Reuters) — Itel Corp. said Friday that it expected a pretax gain of about \$75 million to \$85 million as a result of a public offering by it and Antec Corp. of 8.15 million shares of Antec.

Itel expects to earnm \$77 million to \$97 million from the sale. The proceeds to Itel will include the redemption by Antec of \$30 million of Antec preferred shares owned by Itel.

Upon completion of the offering, which is expected to be on Sept. 23, Itel will own \$99 percent of the common stock outstanding of Antec, or 53 regrees fully diluted.

percent fully diluted.

Diller Weighs Bid for Paramount

NEW YORK (WP) — The television magnate Barry Diller is considering a rival bid to Viacom Inc.'s effort to buy Paramount Communications

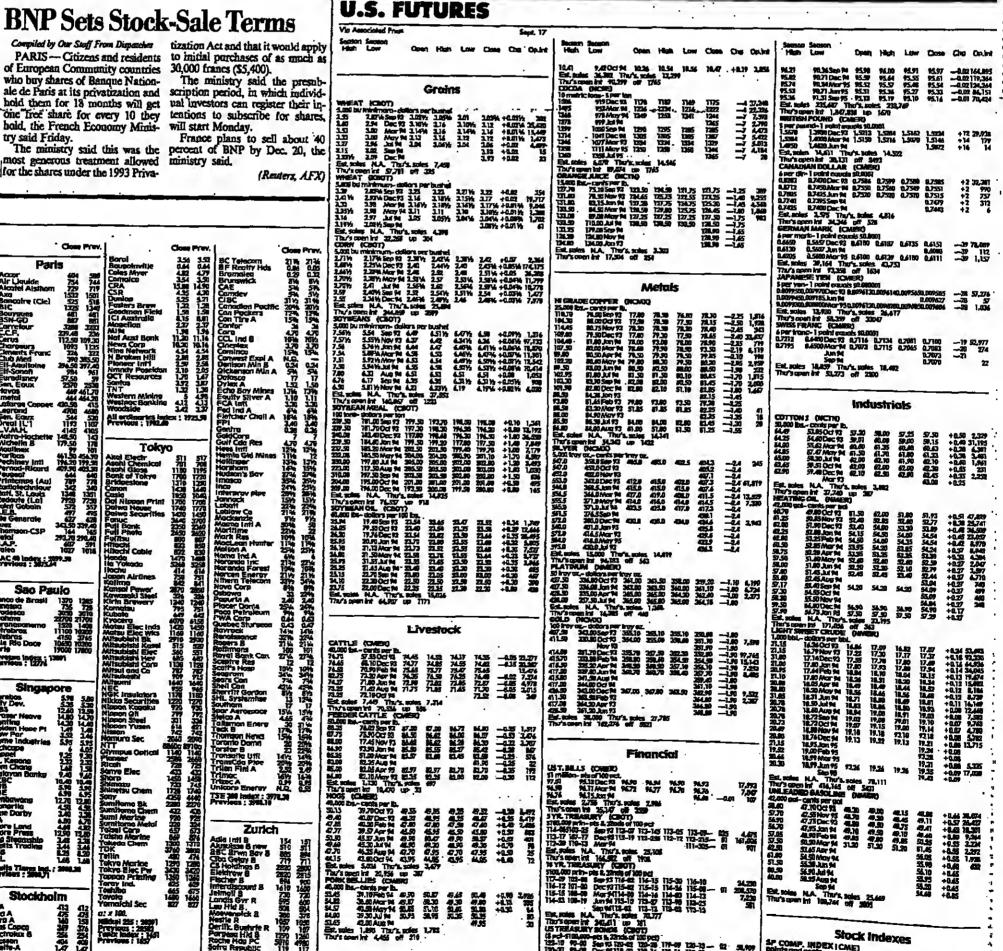
industry sources said. Wall Street analysts and sources familiar with the deal said that Viacom's shumping stock price had complicated the Viacom bid for a merger of the two giants at a price estimated at more than \$7 billion in cash and stock, Mr. Diller, as chairman of the new QVC Network Inc., considers Paramount, where he once was chairman of Paramount Pictures, a good fit with the expanding multimedia empire he is trying to

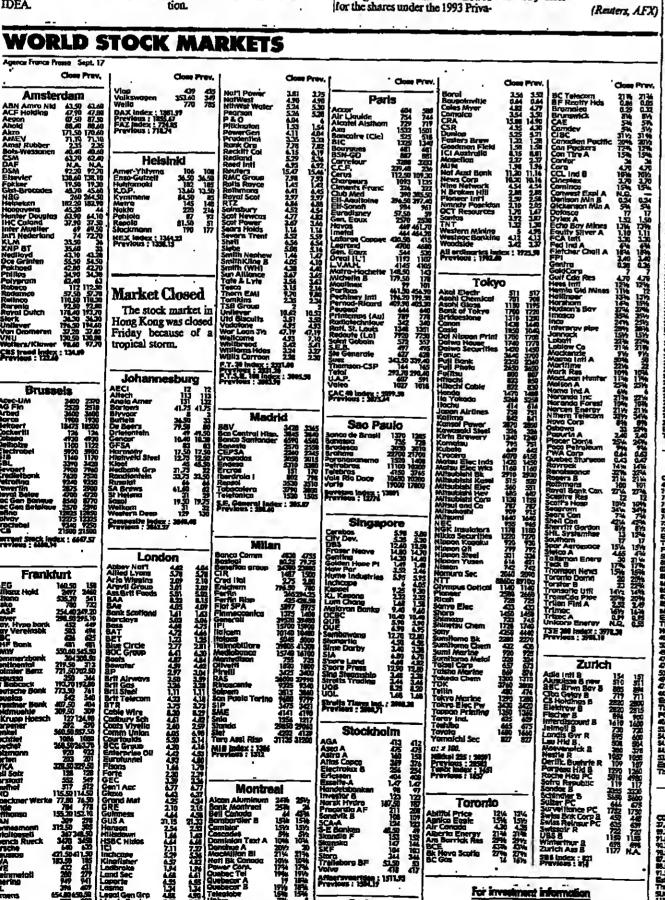
create, sources said. They said QVC executives believed the Viacom offer was low and its own ... They said QVC executives beheved the viacom offer was low and its own lack of debt and strong cash flow gave QVC an important advantage. Analysts said, however, that Viacom's bid represented 18 times Paramount's cash flow, which is the cash it generates in excess of expenses to maintain the business. This is not considered cheap on Wall Street. "We don't deal in rumots and speculation," QVC said in response to reports it was considering a bid. Paramount also declined to comment.

• Cablevision Systems Corp. said it would Liberty Media Corp.'s 50 percent stake in American Movie Classics Co. for about \$170 million. (AP)

For the Record

Wang Laboratories Inc. stock and bonds will cease trading the day the computer maker receives approval for its bankruptcy reorganization plan, the American Stock Exchange said. (AP) Time Warner Inc. paid \$70 million to buy the 50 percent of Six Flags
Theme Parks from Wertheim Schroder and Blackstone Group. (UP1)





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MILAN - Arturo Ferruzzi, former chairman of Ferruzzi Finanziaria SpA, is under investigation by Italian magistrates, Italian me-

dia and legal sources said Friday. Mr. Ferruzzi is the eldest of the Ferruzzi heirs. Television and news agency reports said there was suspicion that company balance sheets had been falsified. Other sources said there also were allegations of slush funds used for political bribes. Former executives said some funds were used to bribe politicians

in the Emmont affair, the largest of the corruption scandals to rock ltaects Big Prelation ly over the past 18 months. Ferruzzi allegedly paid out 150 billion lire (\$97.5 million) to extricate itself in late 1990 from a disastrous chemicals venture with ENI,

the state energy company.

According to Italian newspaper reports, Mr. Ferruzzi became ensnarled in the investigations after Italian magistrates found the accounts of Swiss holding companies that were used to hide losses at

Ferruzzi group companies. In June, the Ferruzzi family ceded control of its indebted agro-chemical conglomerate to creditor banks. which claimed to have discovered irregularities on the group's balance sheets, as well as evidence of bribes

paid to politicians.
One of Mr. Ferruzzi's brothers-inlaw, Carlo Sama, was briefly arrested as part of the judges' investiga-tions. Another one, Raul Gardini, shot himself in July as judges were closing in on him. Nonfamily managers of the group have either gone to jail or are being investigated. (Bloomberg, Reuters, AFX)

Dutch Economy Sets Pace **Strength Comes Despite German Ties**

AMSTERDAM - When

Queen Beatrix arrives at the Hague on Tuesday in a horsedrawn carriage to read the gov-ernment's 1994 budget message. one subject is oot likely to come up: the oation's economic ties to Germany.

Practically alone among West European countries, the Netherlands has proved immune to the German economic virus. For other nations, close ties to Germany have brought high interest rates, low capital investment and high unemployment. But in the Netherlands, the latest figures show retail sales up and unemployment well below the European average. Its consumer confidence index hit a high for the

year in August. This vibrancy in the face of Germany's recession is all the more curious because there probably is no closer link between major European econouries than that between the Netherlands and Germany, which takes more than one-third of all-

Dutch exports. This nation "is to some extent another state of Germany," said Deborah Orgill, a London-based economist with Union Bank of Switzerland.

After this summer's European currency crisis, the Netherlands was the only European Community nation still keeping its currency within a 2.25 percent fluc-

tuation band against the mark.

But while holding the guilder close to the Deutsche mark, the Netherlands is showing that gov-

ernment control over public finance and a focus on trade can keep consumer spending up and an economy buoyant.

Command over public finance "is a condition for any exchangerate mechanism to function properly," Andre Szasz, execu-

The Netherlands 'is to some extent another state of Germany.'

Deborah Orgill, Union Bank of Switzerland

tive director of De Nederlandsche Bank, the Dutch cen-tral bank, said this week at a conference in London.

The Netherlands' high standng among European economies will play a part in Tuesday's budget message.
They won't be sitting down

saying, We'll do this because Germany's doing that," Ms. Orgil of UBS said. "But they will bear in mind what's happen-

ing in the rest of Europe."

Unemployment, a problem throughout the EC and already the dominant subject of political debate here, is continuing to rise in the Netherlands. How the government contends with it in the budget may determine its own survival and the durability of its

"It is the country's weak point" said Tim Huizinga, an Amsterdam-based economist at MeesPierson, a merchant bank

owned by ABN-Amro Bank NV. The Dutch Central Bureao of Statistics said Friday that 374,000 people, or nearly 8.3 percent of the labor force, were unemployed this summer. That was well below the double-digit figures of many other European nations, but it was up substantially from 6 percent a year ago and the Netherlands' highest jobless rate

The Dutch jobless rate has risen largely because Dutch companies have been damaged by recessions abroad. The chemical company Akzo NV and the steel producer Hoogovens NV, for example, have been laying off workers because the German car in-

dustry was in precipitous decline Adding some urgency to the issue is the fact that 1994 is an election year. It is not clear yet whether Prime Minister Rund Lubbers's Christian Democratic Party will be able to stick to its coalition with the Labor Party, which is struggling to hold on to

Still, the government seems unlikely to ask for major changes Tuesday in the way it runs the

есопоту. Economists say the Netherlands remains healthy enough that it probably will not have to make changes like those planned in other European countries, where financially strapped gov-ernments are trying to dismantle cherished social-welfare systems.

French Economy Has Stabilized, but **Outlook Is Unclear**

Agence France-Presse

PARIS — The French economy stabilized last spring, when gross domestic product showed zero growth after falling the two previ-ous quarters, official data showed on Friday. But the outlook for the rest of the year and the emergence

of signs of recovery are uncertain.
GDP declined by 0.3 percent in
the autumn of 1992 and by 0.7 percent during the winter, marking the worst recession in France since World War II, quarterly figures published by the official statistical organization INSEE showed.
But in the April-June quarter

household consumption increased slightly, helping industrial output to rise by 0.2 percent, INSEE said. In the previous 12 months industrial production had fallen continuously.

Households increased their expenditure by 0.4 percent in the sec-ond quarter of the year, having cut back by 0.7 percent during the Jan-uary-March quarter.
But part of this reflected a rush

to buy gasoline before gasoline tax was increased in July. Household purchases of cars rose by 6.8 percent. In the first quarter, these pur-chases of cars had fallen by 20 percent. Expenditure on health

care also rose strongly.
But investment fell for the eighth consecutive quarter, by 1.2 percent. INSEE held to its forecast made in July that for the whole of this year overall GDP would show a decline of 0.7 percent while market-sector GDP, which excludes the state sec-tor, would decline by 1.2 percent. But for this to be achieved activi-

ty would have to recover slightly in the second half, INSEE said.

The Economy Ministry said that the economy had "reached the bottom of the cycle" and that it was not changing its view that the economy would continue to stabilize during the the third quarter and that signs of recovery would emerge at the end of the year or the

beginning of next year.

Although no consumption figures are yet available for the third quarter, which ends Sept. 30, unofficial signals have suggested that consumption was strong in July and weak in August.

Barclays France Sees Profit in '95

Bloomberg Business News PARIS - Barclays Bank SA, whose French expansion plans have cost its British parent tens of millions of pounds over the past 1g

months, expects to return to profit by 1995, its chairman said Friday. Barclays France, which said it was the largest foreign bank in France in terms of assets, posted a £98 million (\$150 million) loss in 1992, and, according to analysts' estimates, has made provision for a

loss of £60 million for this year's

"We shall certainly be profitable again in 1995, and it's not impossible it could happen as early as 1994," the chairman, Christian Menard, said. Familian Condon Page CAC 40

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Very briefly:

Investor's Europe

European Community industrial production fell 0.6 percent between the first and second quarter of 1993 on a seasonally adjusted basis, the EC statistical service said. It added the downturn was heavily influenced by falling production in Western Germany in May and June.

Switzerland's recession has not been as severe as was previously believed, according to the federal statistics office's report for 1992.
Revised figures showed that inflation-adjusted gross domestic product in 1992 shrank 0.1 percent, compared with an estimate of 0.6 percent

• Telefórica de España SA will ask Banco Santander SA to give up its scat on the company's board because the bank's joint venture with British Telecommunications PLC has made it a competitor, the daily newspaper

 Empresa Nacional de Electricidad SA of Spain said it had acquired about 8 percent of the Venezuelan company Electricidad de Caracas for about 12 billion pesetas (\$93.9 million).

 British Broadcasting Corp. plans to cut 131 managerial, technical and clerical jobs in a cost-cutting move aimed at saving more than £5 million (\$7.7 million).

AEG Sales Fell 7% in 8 Months

Compiled by Our Staff From Dispatches FRANKFURT - AEG AG said sales were down 7.4 perceot in the first eight months and will probably re-

main below 1992 levels. The electrical engineering company, a unit of Daimler Benz AG, said group sales through August came to 6.2 billion Deutsche marks (\$3.89 billion). compared with 6.7 billion DM a year earlier.

Chairman Ernst Stockl also forecast a 7 percent fall in production this year
(AFX, Bloomberg)

DAIMLER: Colossus Has Loss, Will Cut 43,000 Jobs STUDIO: Return of Babelsberg

Continued from Page 1

huge loss of 949 million DM, compared with a profit of 965 million DM in the corresponding period

Gerhard Liener, Daimler's chief financial officer, warned the full-year loss would be "substantially higher" than the six-month deficit. According to German account-

ing practices, first-half net earnings fell 83 percent, to 168 million DM, from 1.02 billion DM a year earlier. And even that scant profit was achieved only by dipping into rainy-day reserves, the company admitted. Operating earnings were down in every division except Dehis, its smallest unit.

Nevertheless, Daimler shares rose 19 DM, or 2.7 percent, on the Frankfurt Stock Exchange to end at 721,50 DM as traders focused on the company's cost-cutting initiatives. It was too early to appraise the impact of the U.S.-style results, traders said.

The company is undergoing a profound change as a result of its decision to adhere to strict U.S. accounting principles, which Americans say are more investorfriendly than their German equiva-

In addition to providing two sets of results, Daimler will no longer make predictions about earnings in order "to obviate unnecessary legal disputes," it said.

Mr. Renter also said Daimler wanted to add more foreigners to its management. "Globalization means internationalizing our management," he tolf Bloomberg Business News. "What I am personally trying to achieve is giving foreign managers the chance to move up the ladder and hopefully in the oear future join even the management.

Despite its first-half loss, Daintler said its stock would remain atractive to investors and produced positive rating of its long-term debt by two respected agencies. Standard & Poor's rated the company's long-term debt AA, while Moody's gave it a Aa3 rating.

Continued from Page 9 unit of Compagnie Générale des

Eaux, one of France's biggest companies, with interests in utilities, real estate and media, including the cable station Canal Plus. Babelsberg officials say they will

spare the studio's heart, the "human, technical and artistic resources" that make it unique. "We won't touch the people in

the workshops, some of whom are third-generation experts in their crafts here," said Mr. Couveinhes. Much of the studio's run-down charm has to go, however.

"When people come to look at the studios, they want to see every-thing that's new," said a spokesper-son. Thus in addition to technical

improvements inside studios, many low-rise service buildings will be razed and replaced by taller structures that leave room for trees -and tourists.

The studio's biggest sacrifice may be its open spaces, which Mr. Schlöndorff praised in a promotional video for investors: "Unlike Hollywood, we are still able to do large projects in open spaces," he said.

One of the most serious threats to Babelsberg's commercial survival comes not from Hollywood, but from the big, rich West German state of North Rhine-Westphalia, which plans to develop a former NATO air base into its own media metropolis.

IRI Rejects Offers for 2 Food Units

AFP-Extel News

ROME - Istituto per la Rocostruzione Industriale said Friday that bids received for its subsidiary Società Meridionale Finanziaria SpA's GS supermarket chain and cent of Meridionale, which consists
Autogrill roadside restaurants were of GS and Autogrill since the sepa-SoA's GS smermarket chain and msatisfactory.

Meridionale said it will therefore two oew companies, stop the privatization procedure with a oew one.

to sell a 32 percent stake to a group of investors which would then form De Rica is being negotiated.

along with the state holding company. Each investor would be able to buy segments of 4 to 8 percent. IRI currently holds 62.12 per-

ration of its other businesses into Of the two oew concerns, the fro-

embarked upon in May to come up zen food company Italgei has been sold to Nestle SA - with recent EC Uoder the original plan, IRI was approval — while the sale of the food and oil concern Cirio-Bertolli-

NASDAO : 12 Months Stock

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INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, SEPTEMBER 18-19, 1993

Japanese Discounters Cash In Customers Are Deserting the Department Stores

TOKYO - Just how desperate are things for Tokyo's upscale department stores? Consider that Katsuhiro Furuya, president of Matsuya Co.. will play door-to-door sales-man this autumn, hawking everything from kimonos to instant coffee in an effort to shore up his department store chain's sagging sales.

He and other top executives at Matsiya will also personally visit 50,000 well-heeled customers urging them to opeo their wallets.
One can understand Mr. Furuya: Japan's

economic woes have sent retail spending into freefall. On Friday, the Japanese Department Store Association reported Tokyo department store sales fell 6.6 percent, or 159.9 billion yen (\$1.52 billion), in August from the year-ago period, the 18th consecutive monthly decline.

This trend has set the stage, analysts said, for a shakeout io Japan's retail sector. "The oumber of department stores will eventually be halved," said Kaori Hayakawa, who fol-lows the retail industry for Salomon Brothers Asia. "Department store sales won't pick up even after the economy turns around."

All of this is in contrast to the seemingly easy mooey that rolled into department store coffers during Japan's era of conspicuous consumption in the 1980s. Now, instead of snapping up \$2,800 husiness suits and \$500 leather handbags, consumers are likely to be slogging around the growing number of dis-count stores popping up in Tokyo suburbs.

TOKYO - Economists said Ja-

pan's latest economic stimulus

package will boost the nation's

nominal gross oational product by

only about 0.3 percent to 0.4 per-

The government said the plan

There are two problems with

unveiled Thursday would expand

the package," said Kunji Okue, an economist at W.I. Carr, "The size is

ton small, and other measures, like

those aimed at passing on the bene-

fits of the strong yen, are oot going to do much to the economy."

cent over the oext 12 months.

the economy by 1.3 percent.

Competition could become more fierce, ers, which have skirted the traditional distri-The 6.2 trillion yen economic stimulus pack-bution octworks and feature many lowage unveiled this week by the government includes proposals to extend shopping hours and relax zoning.

Small wonder, then, Japanese retailers have embarked on some serious belt-tightening. Takashimaya Co., Japan's oldest depart-ment store, will eliminate 1,500 jobs over two

New stores are featuring low-priced imports.

years cutting staff to 13,000, through attrition and reduced recruitment. The company expects its pretax profit to fall 39.1 percent, to 3 billion yen, for the year to February 1994.

Tokyu Department Store Co., which has been hiring new college and high school grad-uates every year, will abandon the practice next spring in an effort to trim its work force.

Eliminating jobs, though, probably will not be enough unless Japanese retail pricing and distribution practices change. Consumers pay more than they should, critics said, because manufacturers have a big say over what products get sold where, and for how much,

Bargain hunters are oow getting some re-lief, however, from a new breed of discount-

Economists Call Japan's Package Flimsy

bution octworks and feature many lowpriced imported items.

One such discount store is Mr. Max, which operates in the southern island of Kyushu. The company, which features electronic appliances and household items, reported that pretax profit jumped 44.9 percent, to 2.185 illion yen, in the business year ended March 31. Mr. Max offers products at prices between 10 and 15 percent lower than general merchandise stores, an executive said.

Anyama Trading, which sells men's suits at half the department store prices, is expected to report record pretax profit of 36 billion yen for the year through March 1994, up 19 percent on the year.

Both companies want to sell more imported products to take advantage of the strong yen.

Mr. Max is planning to set up operations in Southeast Asia to manufacture its own brand of products for sale in Japan. Aoyama Trading, which imports 25 percent of its merchandise, is planning to increase imports.

By contrast, only about 10 percent of the products sold at department stores are imports, according to Paul Heaton, an analyst at Baring Scourities. "Department stores look down on imported goods," Mr. Heaton said. "But imported goods are what consumers want and precisely why the discount stores are seeing such fast growth."

enacted soon.

Econo; rists cooceded that an in-

taxpayers to shift their money to

savings instead of spending.
"But everyone's oot going to do

that," an economist at the Bank of Tokyo said. "Although a 5 trillioo

yen income-tax cut may only boost GNP by 2.5 trillion to 3.0 trillion

yen, the point is that an income-tax

cut should create an opportunity

(Knight-Ridder, AFP)

for consumer demand to recover.

"I think about 1.45 trillion yen would actually affect GNP," an accommodate for Credit Suisse, Akio tax cut of at least 5 trillion yen to be

effect would be present only if the come-tax cut could prompt some

Easier Money Sends Buyers Scrambling For Taiwan Stocks

TAIPEI - Waves of buying pushed Taiwan stocks higher Friday and the market index gained 4.7 percent in reaction to the central bank's easing of credit, brokers said.

The index jumped 176.48 points, to finish at 3,941.49. The value of stock traded surged to 30 billion Taiwan dollars (\$1.1 billion) from Thursday's 11.3 hillion, making Friday the busiest day on the exchange since May.

nounced that it was reducing bank reserve requirements by between 0.75 and one percentage point for various kinds of accounts.

The market had expected an easing of monetary policy, hut oot so soon or so large, brokers said.

"The easing is a hig help to the market," said David Lieu of Chief Securities. "Major industrials will benefit from lower rates. There is a chance to reverse the market's medium-term downtrend if willingness to trade remains high in comness to trade remains high in com-

The rally was led by the financial sector, which surged 5.8 percent. Although the central bank indicated it wanted banks to lower corporate lending rates without cutting deposit rates, several brokers said bank profits were still expected to benefit from lower funding costs. Chang Hwa Commercial Bank closed its 7 percent daily limit up, at 118.50 dollars.

Brokers were not certain that the market was starting an extended rally, saying that after the euphoria After the close of trading on died down, players could resume Thursday, the central hank anfocusing on other factors, such as weak corporate profits, a perceived oversupply of stocks and political

"Liquidity was already quite loose," said Ketty Tu of Typhone Securities. "The major problem is investor confidence and whether people choose to put their money in the market "

Albert Lin of Golden Securities said: "Rises may oot be as big as index should test 4,000 soon."

Investor's Asia Hong Kong Hang Seng Tokyo Nikkei 225 SALLMA (BE) AMALIAS Close - Change Hong Kong I lang Seng 7.418.11 2,008.38 2,000.71 -- +0.38 Singepore Strafts Thries.... Sydney All Ordinades ... 20,391.04 20,502.15 -0.54 Nikkei 225 Kuala Lumpur. Composite. Bangkok SET 998.22 989.84 +0.87 Composite Stock 688.34 689.39 3,941.49 3,765.01 +4.69 Weighted Price Manita Composite 1,996,37 1,975,73 +1.04 Stock Index New Zealand NZ9E 40 1,945.23 1,968.61

Very briefly:

 Mitsubishi Electric Corp. sued National Semiconductor Corp. in U.S. court in Los Angeles for alleged breach of six patents, including microcomputers and application-specific integrated circuits, and is seeking to stop National Semi from making and selling microcomputers in America. . Fuitser Lad. said it would follow the lead of its competitors. NEC Corp.

and Hitachi Ltd., and raise output of 4-megabit dynamic random access memory chips by 60 percent by late 1994. . Japan Systems Co. will be 51 percent controlled by Electronic Data

Systems Corp., a unit of General Motors Corp., after EDS buys an additional 31.1 percent stake for 2.83 hillion yen (\$27 million).

 International & Commercial Banking Corp. of Shanghai and Banque Nationale de Paris will open four Chinese joint-venture branches, in Pudong, Wuban, Hangzhou and Suzhou, adding to their International Bank of Paris, which is in Shanghai. · Singapore Aerospace and China Merchants Holdings, a Hong Kong-

registered company, formed a venture to invest in airport development and management and aviation-related business in China. • Ringier AG, a Swiss publisher, is seeking new markets in Vietnam and is

interested in China, its chairman said io Hanoi, where Riogier is majority partner in the joint venture business weekly Vietnam Economic Times. AFP, Bloomberg, AFX, Remers

some money huying up the land for the public works, economists say. Inflation in China's Cities Slows — to 22.8%

BELING - Retail prices in Chinese cities were 22.8 percent higher in August than they were a year earlier, the state statistical office reported Friday.

That represented a slight reduction from July, when the 12-month inflation figure was 23.3 percent, but it was sull higher than June's 21.6 percent. Over the first eight months of the year, urban inflation

The office gave no city-by-city breakdown of the data. In July, the 12-month inflation rate for all China 35.8 percent in Guangdong.
The statistics bureau also said
China's trade deficit swelled to \$5.7
billion for the first eight months of

exports less competitive.

Economists say items that could

boost GNP account for no more

than 1.95 trillion yen (\$18.59 bil-lion) of the 6.15 trillion yen pack-

age, in an economy of close to 450 trillion yen.

projects valued at 1.0 trillion yen, 500 hillion yen in regional public

works and oatural-disaster relief

But the total impact of these pro-jects oo GNP is expected to be less

than 1.95 trillion yen because the

government will have to spend

estimated at 450 billion ven.

These items are public-works

for the full year, imposed measure two months ago to try to cool the economy, tightening credit controls and ordering banks to recall unauthorized loans.

Other data released Friday also slowed only slightly in August. Industrial output was up 23.4. percent from a year earlier, down from 25.1 percent growth in July, a spokeswoman for the statistics bu-

reau said in a telephone interview.
Investment in fixed assets totaled 57.44 billion yuan (\$9.95 billion), 18.1 percent more than in August 1992. But that growth rate was down

from nearly 30 percent a month earlier. Retail sales rose 23.8 percent

Economists added that even this

yen remained at current levels

"If the yen appreciates further, the impact of the economic pack-age would totally be crased," Mr.

"The most distressing thing is

that the package won't really help

restore consumer demand," an

economist at Daiwa Research In-

against the dollar.

Yoshino said.

Other data released Friday also eight months, compared with a showed that China's expansion had year earlier, according to a report in the China Daily.

projects and encourage moderately priced housing for workers, Reu-

Mr. Hou said two months of in-

The company said profit rose to 316 million Australian dollars (\$205 million) in the three mooths ended Aug. 31, the first quarter of BHP's business year, from 259 million dollars a year earlier. Revenue

MELBOURNE — Broken Hill Pty., the giant Australian re-sources company, said Friday that net profit in its most recent quarter had risen 22 percent, largely on a strong performance by its

increased 7.9 percent, to 4.2 billion dollars. The result scat BHP's share price up 52 cents, to 15.96 dollars.

Damien Hackett, an analyst for CS First Boston in Melbourne,

Steel Growth Lifts BHP

aid be expected BHP to report full-year 1993-94 profit of between 1.25 hillioo and 1.3 billioo dollars. Profit will rise as high as 1.7 hillioo dollars in 1994-95, he predicted.

BHP Steel reported that aftertax operating profit surged 156 percent to 135.8 million dollars, largely as a result of higher capacity utilization that led to lower unit costs.

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The government, which has set a from August 1992, but that was lowtarget of a 13 percent inflation rate or than July's rise of 26.5 percent. The credit squeeze appeared to have been poorly focused, however, as the vital energy and raw materials sectors suffered a 9.2 percent drop in investment over the first

■ Property Rules Tightened China is tightening controls over its real estate market to cut specu-

ters reported from Beijing, quoting Construction Minister Hou Jie. creased state management of real estate development had brought prices lower and forced some sellers of high-priced properties out of

"We have had some initial results," he said at a news conference.

pect of big profits from construc-tion had led to a rash of plans for

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WAGE: Morale Problems Outweigh Cost Savings Under Two-Tier System Continued from Page 9

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such contracts because they differ widely. Agreements can require two tiers for pay, health care, penworkers in the mid-1980s, but then structure there would be layoffs. Whatever the specific provisions, some economists and most union

dropped the provisions after tensions increased. systems. New ones feel underappreciated and their older counterparts often fear that they will be dismissed to make way for cheaper

"Although it does save costs, the emotional and psychological toll on the everyday work force is hard to manage," said Walter Stilphen,

director of labor relations at the That was the case at Hannaford company.

12 Month High Low Stock

Under pressure to preserve pay and jobs, the unions caved in.

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Brothers Co., which runs more than 100 Shop-Rite and Shop 'o Save supermarkets in New York and New England Hannaford, based in Scarborough. Maine, negotiated Companies like American Airlines is now a consultant at Airlines for the time," was a brilliant idea for the time," said Russell Thayer, a former segment on the early 1980s and Russell Thayer, a former segment on the carriers and stiff competition. Including American Airlines is now a consultant at Airlines for the time," was a brilliant idea for the time, "and the carry 1980s and Russell Thayer, a former segment of the time," and the carry 1980s are represented by airlines in the early 1980s and Russell Thayer, a former segment of the time, and the carry 1980s are represented by airlines in the early 1980s and Russell Thayer, a former segment of the time, and the carry 1980s are represented by airlines and the carry 1980s and Russell Thayer, a former segment of the time, and the carry 1980s are represented by airlines and the carry 1980s and Russell Thayer, a former segment of the time, and the carry 1980s are represented by airlines and the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a former segment of the carry 1980s and Russell Thayer, a f Scarborough, Maine, negotiated Companies like American Airlines is now a consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such a consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such a consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such a consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such a consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the contract of the consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the consultant at Airline Ecotwo-tier contracts for its warehouse told their unions that without such as the consultant at Airline Ecotwo-tier contracts for its warehouse told the contract at the contract at

them. He said that when the recession though they often extracted provisions specifying that the new workers would eventually eatch up.

The same man when the recession began carving through the industry, many carriers stopped hiring preventing them from taking ad-

DLUMN "Most of the major airlines followed American's lead because it

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For Savers, It's Tough At the Top

O it seems like the predicted corrections are occurring sooner rather than later. The irony is that shares, which appear to be less outrageously pumped up than bonds, are the first to show a susceptibility to economic gravity.

There are two points to make here. The first is specific to today's markets. The second, a re-statement of longer-term strategic ond, a re-statement of longer-term strategic

investment philosophy.

First, the bond market will eventually fall.

When longer-dated bond yields hit the lows achieved this week even the most determined and imaginative bulls of the market can offer few persuasive arguments in favor of sus-tained high prices. Yes, it is still possible for interest rates to fall further. It is also possible —and just about as likely —that we will see

1920s-style negative rates.
Second, the fact that price corrections in bonds and further corrections in shares are likely should not be a deterrent to investors. True, it would be foolish to make a major capital commitment to either market right now. But the important long-term point is that both markets offer excellent prospects for growth over the years. The ultimate enemy of personal ionvestment is inflation, and both shares and bonds have proved that they

can beat inflation in the long term.

So much for strategy. The tactical, day-today element of investing, however, requires individuals to decide to whom they should write their checks. And for how much,

Given that the time is less than ideal for making a large commitment, would-be investors should find themselves a monthly savings plan. Even if the markets have a minor nervous breakdown, and we experi-ence a 1987-style mini-crash, investors sub-scribing through monthly plans will be more or less innured to the misery.

The great benefit of investing regularly through a market trough is that the investor acquires securities at low prices. Regular saving effectively does away with half of the twin tactical problem of investment — namely, when to buy and when to sell.

This solution is of course partial. If you've been saving for years and the market crashes when you need the money you suffer along with the rest. The trick is to forget about it and wait for the next peak. The motto is: Expect losses, but dog't lose faith.

Premium or Discount? An Open Opportunity

By Rupert Bruce

HE exodus of money from private investors' deposit accounts to equities has created both risks and opportunities, according to analysts.

One particularly sensitive area is also one of
the most popular: Closed-end funds, collective investment vehicles with a fixed number of shares that are usually traded on a stock

of shares that are usually traded on a stock exchange, offer investors an exciting international challenge. Many say that some closed-end funds are overpriced and that overpricing has created opportunities to switch to cheaper funds elsewhere.

In the United States, particularly, many fund prices are said to be too high. "These funds move in cycles, and I think you can make a case for it being late cycle in some of them," said Thomas J. Herzfeld, president of the Miami-based closed-end fund specialists Thomas J. Herzfeld Advisors.

Thomas J. Herzfeld Advisors. In Britain, the other major market for closed-end funds, prices have fallen sharply in the last few weeks after a wave of selling in the wake of analysts' comments that funds were too expensive. But despite their falls, they are still more expensive than at many

times in recent years.

Analysts judge whether a closed-end fund is expensive or not by comparing the net asset value (NAV) to the market value of its

Just as industrial companies may be priced by the market at less than the sum of their parts (which is why so many companies are acquired or split up and their assets sold off), so companies whose commercial activi-ty is investing are sometimes subject to the same phenomenon, If the fund trades above the value of its portfolio, alias its NAV, it is said to be at a premium. If it trades below it is at a discount,

In theory, funds should trade at a small discount to their NAV, but, in fact, they fluctuate widely and have tended to trade at large discounts — although these have narrowed in recent years to today's levels, which are close to their recent zeniths. The Herzfeld Closed-End Average, which

shows the average discount or premium on U.S. funds, is at a discount of 5.22 percent. This compares with an average discount of more than 10 percent for 1988, when discounts were at a nadir.

In Britain, NatWest Securities measures the average discount on closed end funds. The peak discount, in 1986, was more than

the narrowest discount in living memory,

recorded in August.
Discounts on both sides of the Atlantic narrowed in the late 1980s as closed-end funds went through a wave of restructurings. And then more recently, they narrowed further as private investors piled into the mar-

In the United States, the most expensive closed-end funds are country funds and emerging market funds, which give exposure to the fashionable overseas markets. The Herzfeld Single-Country Average was run-ning at a small premium of 0.38 percent carlier this week.

Most of the funds in the Herzield measure were launched after 1989. Many invest in Europe and went to large premiums on the

Discounts narrowed in the late 1980s as closed-end funds went through a wave of restructurings. Then they narrowed

further as private investors piled into the market.

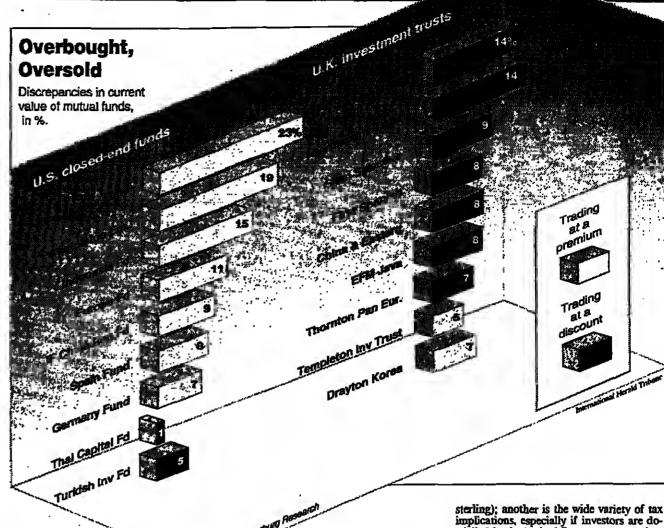
wave of emboria that followed the collapse of the Berlin Wall. But investors' expectations were shattered by dismal stock market performance.

John Hock, an analyst at Merrill Lynch in New York, said: "Sound performance has picked up fund prices, and U.S. brokers are pushing the whole international theme because markets at home are not likely to do that well... Given the outlook for U.S. stocks, a strong case can be made for the U.S. funds selling at a premium."

Mr. Hock says that when indeing whether

Mr. Hock says that when judging whether a premium is merited, it is necessary to look for special factors, "like a Dr. Mark Mobius," the widely respected manager of the Templeton emerging markets funds. Other special factors might be good performance relative to other funds investing in the same industrial sector or area or -for U.S. funds -strong realized losses that can be carried forward to reduce tax.

But Mr. Hock adds that even Dr. Mobius' 25 percent. But this week it is around seven record would not entice him to recommend percent - just a hair's breadth away from the Templeton Emerging Fund, which was



trading earlier this week at a premium of 19 percent. There are other attractive funds whose high premiums, he says "make them difficult to recommend.

In Britain, the recent falls mean that prices are more sustainable, says Lewis Aaron, an analyst at Warburg Securities in London. But are they sustainable in the more expensive United States? "No. A lot are on the high side because people do have alternatives. They have an open-end fund indus-

Mr. Aaron says prices have tended to be lower in Britain because some of the huyers are institutions that are more aware of alternative investments elsewhere. For example, if the Templeton Emerging Markets Investment Trust were to become too expensive, investors might buy the open-end Templeton fund based in Luxembourg.

But U.S. investors in many of the country funds may find they do not have as many alternatives among domestic open-end mu-tual funds. Mr. Aaron believes that they

should look to Luxemhourg's open-end funds and to U.K. investment trusts. Warburgs publishes a regular list pin-pointing the largest discrepancies between U.S. and U.K. closed-end funds with similar investment policies. This week, for example, the U.S.-domiciled Europe Fund was trading at an 11 percent premium, while a U.K. equivalent, Thornton Pan European, was at

a six percent discount.

But Mr. Herzfeld, who has been trading closed end funds in both markets since the early 1980s, is cautious. He says U.S. investors thinking of buying U.K. investment trusts should be aware of a number of factors: Currency risk is one important aspect (U.K. funds are, of course, denominated in

implications, especially if investors are do-miciled in the United States, as opposed to being expatriates. A further point to bear in mind is that just because the U.S. fund looks more expensive than the U.K. equivalent,

appearances may be deceptive.

What we generally try to do is buy a fund that is trading at five percentage points lighter than its average discount as long as that figure is lighter than the average dis-count for similar funds," he said. But he advises investors who choose a U.K. investment trust, or even switch out of their U.S. fund to a U.K. one, to make sure there is a dsicrepancy of at least 10 percent in favor of the U.K. fund: This is necessary to cover the

Domestic U.S. investors who wish to buy
U.K. closed-end funds have to buy them
from overseas brokers, according to SEC
regulations. Investors should also consult their tax adviser, as the fiscal position is extremely complicated and can be punitive, according to the Association of Unit Trusts and investment Funds, a U.K. fund industry

national desired

Destroying the Fund to Save the Shareholders

By Kevin Murphy

ON'T like the performance of a fund you've invested in? Take it over - or at least force the managers to shut it down - is the message coming out of one Hong Kong fund manager's office.

Regent Pacific Group Ltd., a unit trust manager with a profit-able sideline in raiding closed-end funds, is about to pick off another straggler, the South East Asian Warrant Fund Ltd.

Directors of the the Isle of Manregistered, London-traded company are likely next month to switch its status from a closed-end fund with tradeable shares to an entity divided into units that can be re-

Such a move will erase any discount between the fund's net asset value and its share price, a boon to those who invested in the fund before the current strong perfor-mance in Southeast Asian equity markets lifted the fund's perfor-

BRIEFCASE

low into a six-phase process

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ery and growth.

Corporate Profits Down?

It Could Be Just a Phase

The effort to make sense of the markets

continues: Two computer industry analysts at Prudential Securities have broken down

the performance of the companies they fol-

The first phase identified by the analysts,

Laura Conigliaro and Marianne Wolk, is denial in which "companies take a hard hit

to their profitability before they even recog-uize that they have a problem." After that come "tactical corrections," then "broad-

The trough phase is next, in which the

previous attempts to right the ship take hold.

This is when performance bottoms out. The

last two phases are improvement, and recov-

Digital Equipment is in the trough phase now and so may be the best bet of the bunch.

IBM is still in Phase 3, and its shares may

The two say in a report on the industry that the goal of restructuring has changed.

No longer is the goal to return to the state

of normalcy as it was once defined," they

write, "Rather, the new objective seems to be

achieving expertise at continually remaking

have further to fall, the analysts say.

after Regent Pacific, a major shareholder dissatisfied with the \$17 mllion fund's slow growth and the wide disparity between its NAV and share price, pushed its managers to accelerate the unitization.

we pought into this fund as a tives. "But you can do very well if you time the discount was as wide as 35 to 40 percent," said for You. 35 to 40 percent," said Jim Mellon, managing director of Regent Pacific. "But the performance has been unanswerable. It was time to act."

Regent Pacific has feathered its vulture's nest by targeting laggard funds for breakup or management changes that release value trapped in deep discounts to the funds'

trading price. A glut of closed-end funds have been launched worldwide in the past seven years. Many came on at the top of their respective markets and some of them have never recovered investor support, provid-

The decision to unitize comes about \$10 billion resides in closed-

"If you hold them for a long time, they often don't make that much money," one Hong Kong de-rivatives fund manager said of war-rant funds in general and deriva-

Warrant Fund, Regent amassed a 20 percent stake in the company with other shareholders, said it forced the fund's directors to hasten plans to convert to openend or unit trust status.

It is the second time Regent Pacific has crossed swords with John Govett and Co., the fund's advisers. A previous encounter saw the Hong Kong raiders force changes to the Malaysian Emerging Com-panies Fund, which narrowed its

The board put proposals for the open-ending of the fund forward ing opportunities for raiders like six months ago," said Kevin Paken-Regent Pacific, which tends to stick ham, chief executive of John Goto plays in Asia, where it estimates wett and Co., citing the valuation of

attached warrants and illiquidity in Southeast warrant markets as impediments to faster action.

Regent has been one of the shareholders saying it should be open-ended sooner," said Mr. Pakenham. "The last six months have seen a boom in the Southeast Asian markets. What looked illiquid be-fore now is liquid enough to allow a much higher rate of redemptions."

If accepted by shareholders at a shareholders' meeting to be held before the end of October, the fund's existing shares will be converted into redeemable preference shares.

The fund was launched in 1990 at a price of \$10 per share. Its NAV has reached \$13.75, but it was last trading between \$11.75 and \$12.50. the discount largely owing to the fact that holders of warrants attached to the fund must be compensated before unitization.

"This fund was a great buy a year ago when it was at a significant discount," said Mr. Pakenham. "Anyone who did so has done quite

Why the interest in that part of the world?

"The entire Caribbean region has been iden-tified as an area the U.S. wants to expand

business activity with," Mr. Herzfeld ob-served. "As we looked around the Caribbe-an, we saw excellent business prospects."

eye roving around the region, the other will be fixed on Cuba. His big hope is that the

American embargo will be lifted and he will

be one of the first of many investors to

the greatest potential," he says. With that in

mind, the fund intends to buy "a basket of

Cuba plays," companies that stand the best

chance of moving up should the embargo be

lifted. No listing details have been an-

nounced, but he expects the fund to trade

either on the New York or American Stock

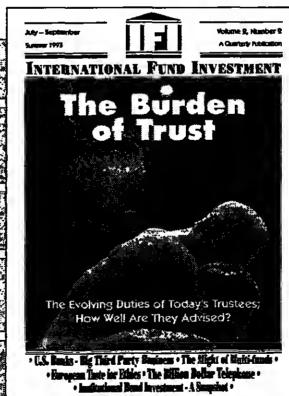
Cubs is the hub of the Caribbean and has

squeeze through the newly opened door.

While Mr. Herzfeld says he is keeping one

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Herald Eribune

This Looks Like a Buy-Write But is it Right Buy on Digital? Anyone who agrees with their analysis of

Digital Equipment's chances has a new way to do something about it. The American Stock Exchange has listed a new sort of debt security tied to the value of Digital's shares. That's the way it's billed, but on closer inspection, it is really more of an equity product

Country of the State of the Country of the Country

The securities have a life of three years and pay 6.75 percent interest. At the end of the three years, they will be worth an average of Digital's last 10 closing prices before expi-ration, up to \$50.625. In this regard they are like a "buy-write" strategy, in which shares are bought and a long-term call option is sold against them. In the present example, it's like buying Digital and then selling an option that grants the right to buy the shares at \$50.625. Rather than receiving a premium on the option sale, the shareholder will be paid interest amounting to 20 percent of the offering price of \$37.50.

It is difficult to calculate whether this security, which trades under the symbol DLK, is a better deal than doing the actual buy-write, but there are plenty of profession-al traders who make their living looking for such discrepancies, and they don't last long. The real difference for a small trader comes from the fact that there is but one commission to pay with the Amex product and two with the buy-write.

Caribbean Basin Fund Bets Big on New Ties With Cuba

It's hard to imagine an emerging market that's yet to be exploited, but the Securities and Exchange Commission has just granted approval for the initial public offering of the Herzfeld Caribbean Basin Fund, a closedend fund that will invest in companies in Caribbean islands, northern South America

The fund is being offered by the management firm of Thomas I. Herzfeld, a specialist in closed-end funds in Miami. Unlike mutual funds, closed-end funds offer a fixed mumber of shares; that makes their price a function of the value of the assets they hold and also the strength of public demand. Lehman Offers New Chance To Play Japanese Market

Investors interested in playing the Japanese currency market received a new opportunity this week, as Lehman Brothers Holdings Inc. issued 3 million Japanese Yen Bear Warrants expuring on September 15, 1995. The warrants are trading under the ticker symbol "Yen WS" on the American Stock

Co-underwritten by Lehman Brothers and Oppenheimer & Co., and trading, in effect, like a U.S. dollar call option/Japanese yen put option, the warrants carry a strike price of 106.27 yen to Sl. Investors exercising the warrant will receive a sum in dollars calculated by reference to decreases in the value of the yen versus the dollar.

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THE MONEY REPORT

Developed Bond, Equity Markets Face Inflation Fears; Korea Looks Good

opinions on the world's major economies, currencies and financial mar-



Howard Flight, director, **Guinness Flight Global Asset** Management

The strength of equity as well as bond markets in recent weeks bas been in sharp contrast to the continuing economic and political mies of Europe, North America

By Ann Brocklehurst

stock exchange. Berlin trades the second east German company to go public — Berliner Spezialflug. But

while such listings are exactly the

type of business the bourse is hop-

ing to attract, its main objective is

simply to survive the competition

from European stock markets, in-

Berliner Spezialflug is an airline

company that used to be under the

wing of East Germany's interflug.

props. It has 110 employees and

many east German companies, it

zialflug, the timing of its listing was

not optimal. The shares of the first

east German company to go public, the dairy Sachsenmilch, plunged

this summer to about half as much

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made a small profit last year.

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HIS week's falls on the

world's stock exchanges

were of relatively little

importance to the Berlin

and particularly European bond tal Europe to fall to appropriate and Japan. economic levels; European bond As in the 1960s, lower inflation tor — as in the 1960s — has been well as bond markets, driving up the flood of liquidity out of cash. multiples and, as in the case of expected lower short-term interest. It lonks likely that this process will rates and lower inflation.

can fall and bond markets rise, and stabilization. In local-currency to what extent there is a major risk terms, among the mature econokets, as a result of values running markers must have the greatest upahead of economic realities and the side potential, given their lagging recovery in profits. In the short-economical cycle and the larger

Berlin Bourse Challenges Frankfurt

The scandal has made analysts

and investors even warier about

east German stocks than they were

before, which, according to the

Berlin Exchange's chief executive

Jorg Walter, is perhaps unfair. "The decline of Sachsenmilch ap-

pears to many as a typical East German problem, but it isn't," be

said, "It could happen just as easily

In order for Berlin, which rated

by turnover is the second smallest of Germany's seven regional stock

sian-designed belicopters as well as competitive market it will have to country will emerge from its worst

commuter flights in Beech turbo- attract more successful east Ger- post-war recession and nervous-

man companies looking to raise

ade a small profit last year.

Given its position as the only but from a strategic point of view.

Unfortunately for Berliner Spestock exchange in eastern Germany we don't see we're heading to a

ment, Berlin has far more develop-

future seat of the federal govern- London.

community, Mr. Walter said.

in West Germany."

Its business is offering surveying of Germany's seven regional stock and photographic flights in Rus-

estimates turnover this year at 16 capital, as well as new investors

million Dutsche marks, And unlike and a bigger, more active financial

company.

both Frankfurt and Berlin after Micbael Schubert, capital markets

revelations that crooked manage- analyst at the Berliner Bank which

ment had almost bankrupted the is the Bourse's biggest broker, says

- Mr. Walter does not believe significant correction," said Chris-

Leipzig will succeed in its plans to tian Landers, vice president of eq-

start up a bourse - and as the uity sales at Lehman Brothers in

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some time that a prolonged era of bility that the recent boom will give low inflation and low interest rates way to some profit taking, but it is will be good for financial assets, as difficult to argue in terms of ecoopposed to property and other in- nomic cycles that we are as yet ation bedges. close to a cyclic peak in either bond.
The advance in bond markets, or equity market values.

The crucial issue is the outlook markets, has, bowever, already for inflation. It is perfectly possiachieved our expectation for the ble, given the continuing major exyear as a whole. Equity market sen- cess capacity and the constraints of timent has also been rather stron- large fiscal deficits on expansionger, sooner, than we had anticipat- ary government policies, that inflaed. The main catalyst for these tion rates in the mature economies developments has been the ending will long remain in the 2-to-3.5of the exchange rate mechanism percent range. If they do, there is straitjacket, permitting, in due clearly still scope for bond yields to course, interest rates in Continen- fall further, particularly in Europe

and equity markets are now dis- and lower interest rates are inhercounting this. The other major fac-ently positive for equity markets, as also largely the result of falling and bonds, attracting flows out of cash. continue for at least a further year The self-evident questions are as or two, albeit with inevitable interto how much further bond yields mittent periods of correction and of a sharp reaction in equity mar- mies, Continental European equity

that once the recession ends. Berlin

will have one of the country's

strongest growth rates. And he asked: "Why should that pass the

sent the 30-stock DAX index to

three-year highs, this week's falls

on the Frankfurt came as no sur-

prise. But will the losses continue?

No, say market watchers who see

potential for a continued climb, despite uncertainty about when the

ness about how long it will take to

it seems to be the right time to sell.

The explanation for the recent

"From a technical point of view,

get castern Germany on its feet.

FTER the strong and

unexpected two-month-

long rally in German

scope for European interest rates to fall. The U.S. market looks to have the least poteotial, at least until corporate profits strengthen further. There are strong liquidity arguments supporting the Japanese market, although what will clearly be a long and drawn-out path to economic recovery in Japan, with corporate profits hit further by yen strength, argue for caution with regard to values. The strongest argu-ments for equities continue to lie with the emerging markets, particularly of Southeast Asia and Hong Kong (as representing China).

In summary, the boom of late summer 1993 looks a bit premature

Anna Tong, director, and overdone and invites some degree of reaction.

Outlook

The South Korean government's courageous move for a "Real Name Financial Transaction System" bas parency of the financial system so caught everyone off guard. President Kim Young Sam's muchtalked-about goal to build an effi- and unfair allocation of tax liabilcient and corruption-free "New Korea" finally seems to have been term is expected to clamp down on put into action. By disallowing as- underground market activity, sets held under alias accounts



Aetna Investment Management (Hong Kong) Ltd.

(which are estimated to total as much as \$25 billion), the government bopes to improve the transas to reduce graft and bribery, insider trading, excessive speculation ities. Most important, the new syswhich represents almost 15 percen

Primed for Growth? DAX index, weekly closes. 2006 1900 1800 1700 1600 1500 1400 1300 1200 1100 1991 1992 1993 Source: Datastroam

will start to recover in 1994, with have exactly the same scenario here blue-chip companies leading the in Europe these days." way. But if the upswing doesn't begin until 1995, investors may be ing cyclical stocks such as banks, disappointed, Mr. Landers believes an insurance and chemical compathis year's carnings forceasts are overly optimistic for many companies and does not think they are justified solely on the basis of the recent cost-cutting measures taken

International investors are lonking for German stocks to follow the same pattern of U.S. shares since they began their climb in 1991 out of recession, said Hans-Peter Wodas they were worth when they were ment potential than the other re-floated 18 months ago. The stock gional exchanges which are all the German economy as a whole James Capel in Frankfurt. "We nick, head of German research at

by many firms.

Mr. Wodnick is still recommend-

Mr. Landers, on the other hand, sees too much overcapacity in the

chemicals sector and favors insurers. So does Kurt Ochner, manager the smaller-companies fund at Hengst. He expects smaller insur-ers like Allianz Leben, Mannheim The shadow over its e Versicherung and Kölner Rückversicherung to perform as strongly as the giant Allianz, which rose this week to around 2,500 Deutsche marks from a 1993 low of 1,945.

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Although the economy is now feeling the pinch, the next 12 months are likely to be much better for the stock market. The investment theme is liquidity. Equities, the only form of investment with no capital gains tax until 1997, are likely to be the final destination for liquidity, as activity in other markets, such as land, has been virtually suspended by the government's planned corruption investigation.

At the same time, the Bank of Korea is likely to adopt a more accommodating policy to ease the current credit crunch and jumpstart the economy. The M2 money supply figure is likely to grow by more than 20 percent. As wage growth is under control (below double digits) and industry's over-capacity is still unhealthy, inflation does not seem to pose a major threat. In fact, the government has already pledged \$1.7 hillion in re-lief loans to alleviate the funding

The downside of the market is further limited by possible marketboosting measures, which seem unnecessary at the moment. The most requently mootioned is the expansion of the current 10 percent foreign ownership limit Another nossible measure is to force support from local institutions, which have in the past been somewhat reluc-

Although corporate results for the first quarter of this year are disappointing, due to declining margins and high funding costs, and the problems are likely to be further exacerbated by the implementation of the real name system. the investment focus should be on improving liquidity over the medium term. The Korean market has rate decline appears to be overdone bonds and selected emerging equibeen famous for its volatility because of beavy retail involvement. ton. Top U.S. Federal Reserve and South Korea.

of gross national product, thereby improving the efficiency of credit over the economy, however, should be viewed as an opportunity to ac-



Christopher Kwiecinski. investment manager. Banque Indosuez, **Global Private Banking**

August did not disappoint investors looking for excitement on world financial markets. While you were on vacation, there was plenty of sunshine in dollar-based portfolios, and European currency-ori-ented investors also have little to complain about. The major events were a severe crisis within the ERM, a reversal in the upward trend of the dollar against the European currencies, the continuation of the emphoric rally on major bond markets, a noticeable improvement on some European bourses and a break in the bull run on gold.
Indeed, recent weeks have pro-

vided a lot of fresb information to digest. Nevertheless, the markets are signaling several important messages. The first is that dollar-oriented investors are searching for alternatives to abnormally low U.S. interest rates. The cyclic interest real interest rates ton low.

Yields on medium to longer maturities have declined to levels where modest price deterioration can easily offset income return. particularly after fees. This has rendered the bond market vulnerable

to a setback, with a possible adverse effect on longer-term portfolios. They could experience negative returns over a period of several months, but it is probably still too early in the interest rate cycle to become confident that cash will start outperforming bonds. But the gap, based on expected returns, has been narrowing. However, only in-vestors with short memories can afford to ignore the inevitability of such a turning point.

Another alternative consists of going down the credit scale in search of higher yields. Risks appear acceptable as long as the business cycle bolds up and monetary policy is not reversed abruptly, which is unlikely in the short term. Moreover, the U.S. economy is probably somewhat stronger than generally perceived. The August employment report, in particular, overstated current economic weakness. Yet it triggered the latest surge in bonds and a dollar sell-off.

Finally, equities do not stand out as an attractive alternative unless pricing power is restored. Market indexes have hovered near their historical highs, but this reflects mainly very low interest rate levels.

The persistent dollar undervaluation relative to the European currencies will tend to exacerbate protectionist pressures, dampen growth and the outlook for European equities. In this environment, dollar-oriented investors will contique to find good value (expected double-digit returns) in Canadian

Service Is Name of New Swiss Game

By Philip Crawford

LTHOUGH known for nearly two hundred years as a bastion of sebanking wisdom, Switzerland's status as the jewel of the clite private Bankhaus Schröder Münchmeyer hanking world's crown has come

The shadow over its erstwhile sparkling image, by now clearly visible to international investors has been cast by offshore banking centers such as the Channel Islands. Grand Cayman and Bermuda, and

by "offshore-onsbore" Luxembourg. Such locales, in the minds of some analysts, have begun to out-shine Switzerland in ability to serve the high-net-worth individual seeking to protect and increase his as-

But those in Geneva, the center of Swiss private banking, are fight-ing back. White acknowledging that some regulatory loosening of legendary Swiss banking secrecy brought about by efforts to combat money laundering — has chased some money out of Switzerland, they maintain that their confidentiality standards are as rigorous as those of their offshore competitors, and that their service standards are

From nowhere is that cry heard louder, moreover, than the family-owned, "true" Swiss private banks, some of which have been in business since the 18th century. Indeed, the bankers who confer with their well-heeled clients in the museumlike surroundings of firms such as Pictet & Cie. and Lombard Odier & Cie. say they have a product decidedly not found in exotic offshore locales with snazzy tax legislation:

"It's about generations of bankers from the same families serving generations of clients from the same families," said Pierre Tissot, a senior investment officer of Lombard Odier, which opened its doors in 1798. "Nowhere else can you find that level of trust over so long a period of time.

In Switzerland, legal distinctions set banquiers prives, or private bankers, apart from commercial banks such as Union Bank of Switzerland or Credit Suisse, whose asset management divisions now fall under the ever-expanding global rubric of what is now thought of as "private banking." Banquiers prives must organize themselves as a partnership in which full liability for the bank's profits and losses rests with the partners and their own personal assets. Portfolio management is the sole service offered to individual clients. Since such banks

	Number of iseries	Assets In billions of Swiss francs	Employees	
Private banks	19	5.3	2,587	
Total banks	569	1,100	123,642	
Private banks % of total	3.3%	0.5%	2.1%	

are privately held, moreover, they are nor required to publish any figures regarding their performance.
At the end of 1992, there were only 19 banquiers prives in Switzer-land out of 569 total banks, employing 2.1 percent of the country's banking employees and holding 5 percent of Switzerland's 1.1 trillion Swiss francs (\$792 billion) in total banking assets. Pictet, founded in

followed by Lombard Odier, and Darier-Hentsch & Cie. James Crot, a senior manager at Pictet, bristles at the suggestion that Swiss banking secreey has be-come less than that in offshore centers. "It is a crime in Switzerland for a banking employee to divulge client information to a third par-" he said. "And even within the bank itself, the name of the account holder is not on the screen when an account is being looked at, just the number. Access to the name is ex-

1805, is the largest private bank,

tremely restricted." As is the case in offshore banking centers, investigators in Switzerland must prove to a court that there is sufficient cause before asking bank officials to disclose confidential account information.

But the ability to provide a high degree of confidentiality does not mean that Swiss private banks have become a safe harbor for illicit funds, Mr. Crot added. "The image of someone showing up at a Swiss bank with a suitcase full of cash and being welcomed with open arms is nothing more than a cli-che," he said, "Anyone wishing to open an account with us must provide exhaustive documentation of the money's origin and of their own

Mr. Tissot, of Lombard Odier,

Special Report on

image count?

an erroneous one. Acknowledging that political pressures have loos ened the once-airtight Swiss banking secrecy a bit, he also maintained that Swiss norms are as strict as those in the Channel Islands or Grand Cayman. He added that service standards, perhaps the essence of what private banking is all about, are higher at Swiss pri-

vate banks than anywhere else. Indeed, said Mr. Tissot, the primary challenge faced by Swiss private banks has not come from offshore centers, but from the evergrowing asset management arms of the major Swiss commercial banks.

Mr. Tissot maintained, however. that banquiers prives could provide better service than the big Swiss banks. "For one thing, we have a greater degree of confidentiality," he said. "The sheer number of people involved with one account is much lower."

Ernst Hausherr, a senior vice president and director of private banking at Union Bank of Switzerland, took exception to that view. "Despite being a buge bank, UBS

has a very private touch," he said.

Mr. Hausherr dismissed some offshore centers as unworthy competition for UBS. "I don't think there are too many people travelling to the Cayman Islands for private banking," he said. "The Chan-nel Islands may be a bit different."

To be sure. Swiss banquiers prives and portfolio-managing commercial bankers may quibble among themselves over who can provide the best service and performance to the international private investor. But they stick together in arguing that Switzerland is still the private banking power of its tradition.

There's still a lot more money centers have taken private banking coming into Switzerland," said business away from Switzerland is Crot, "than there is going out." coming into Switzerland," said Mr.

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THE MONEY REPORT

*U.S. Tax Tips for New Arrivals

By Samuel H. Okoshken

FOREIGNER investing capital io the United States, or contemplating a move there for work or otherwise, should put tax planning at the top of the list of things to do beforehand; doing so can cui all or some of the potential income tax, gift tax and estate tax costs. Leaping without looking may yield disastrous and irreversible fiscal results.

Six key elements are involved in the "looking" phase; whether the loreigner is a U.S. resident or not; the type of activity contemplated: the category of income involved; the location of any property involved; whether an applicable treaty rule affects or can be made to affect the transaction, and how the transaction or property holding is

(A "foreigner" can be a U.S. resident or nonresidents. A "green card" holder is considered a permanent resident for immigration purposes and is automatically a resideni for tax purposes. Others, too may be considered residents for tax purposes. The law bases this determination on an objective day-count physical presence test and also pernits one to elect resident status.)

Question 1: I am French and living in France. I have never been to the United States and have no plans to visit. What are the U.S. tax implications if I invest in American

stocks and bonds? Answer: Your dividends are subject to withholding. The normal 30 percent withholding rate is reduced to 15 percent by the Franco-American tax treaty. Even in the absence of a treaty, bond and bank interest is normally exempt from U.S. withholding tax. Any capital gains you realize on your investments will normally be tax free. At your death, your U.S. portfolio will not be subject to U.S. estate tax, again beesuse of the treaty. An investor not

benefiting from a treaty should collected, without offset for ex-study Question 8. collected, without offset for ex-penses such as mortgage interest, rate headquarters. I am owed as

Question 2: I am a Japanese U.S. residence, I surrendered my green card when I left permanently on July 19, 1993. Now I want to liquidate my U.S. stockbrokerage account, which has a potential \$500,000 capital gain. I was told that I am not subject to the U.S. capital gains tax because I no longer have my green card. Correct?

Answer: Incorrect. At the risk of using an exaggerated metaphor, you are in shark-infested waters. Keep swimming! The capital gains rule is straightforward. As a nonresident alien (which you became when you surrendered your green card) you would be taxable on your U.S.-based capital gains at a 30 percent nonresident rate.

Reason: You would have been physically present in the United States for 183 days or more during the year of the sale. As you have already swum past the 182-day safe harbor (albeit while a resident alien), any sale you make before January I, 1994, will trigger a full capital gains tax (al 30 percent). So hold onto your stocks until New Year's Day. The U.S.-Japan treaty does not bail you out of this one. (You must file a "dual status" tax return for 1993, one for the resident part and one for the nonresident

Question 3: 1 am a Greek living in Crete. I intend to purchase a house in Boston and rent il until we either move to the States or sell the house when the real estate market is up. What are the tax issues? How

about some planning tips? Answer: Your concerns are twofold: How rental income is taxed and how any realized profit is taxed when you sell the house (while still a nonresident alien). Rental income: Without plan-

ning, you can expect your rental income to be taxed at a flat 30 percent (or lower treaty rate). "Rental income" means total rents

penses such as mortgage interest, real estate taxes, capital deprecialessman. After four years of tion, etc. To use an example, assume your gross rents in 1994 are \$30,000 and you spend a total of \$22,000 in mortgage interest, taxes,

insurance, maintenance and repairs. Although your economic profit is \$8,000, you must still pay the 30 percent tax on the full \$30,000 of rents, which leaves you \$1,000 out of pocket.

Planning idea: Make a "Section 871(d) election" to treat the rental as a business. You are then permitted to net your expenses against rental income and to claim a depreciation deduction. In the example above, the 1994 economic profit of \$8,000 is further reduced by a depreciation deduction, which we will assume to be \$10,000. The result is a tax loss of \$2,000, and, conse-

quently, no income tax to pay. In a outshell, by electing to treat the rental as a business, you save \$9,000 of tax. Better still, you can carry forward your tax toss to reduce any tax on the sale of the

Assume your adjusted purchase price for the house was \$250,000, and you sell it in 1995 for \$350,000. If you had made an election, your capital gains tax, at 28 percent, would be \$28,000. If no election were enforced, there would be \$35,000 withholding at the time of sale (10 percent of the selling price), but you could later take certain steps to recover part of that

percent withholding tax.

Question 5: I am British, presently working in an executive position in a low-tax Asian country. Beginning in early November, I rates applicable to residents. will be relocated for as long as five

rate headquarters. I am owed an accumulated foreign service premium of £150,000, which cannot be paid until late November or December. How should I approach my move to the States?

Answer. Before reviewing a series of planning steps an inbound foreigner should take, let us quickly compare how the U.S. government taxes income of resident aliens and nonresident aliens. While resident aliens are taxed on worldwide income, nonresident aliens are taxed by and large only on U.S. meome. That includes investment income (except for institutional interest, which is usually tax-exempt) and business income, including salanes earned in the United States.

The applicable tax rate depends on the kind of income as well as on whether the nonresident benefits from a tax treaty.

Step t: Correct timing can save income tax. Compare tax rates in your current country of residence with U.S. rates. If U.S. rates are lower, consider deferral of income until you are a U.S. resident (You may elect to be taxed as a U.S. tax resident even if you would oot be considered so under the physical presence test.) If U.S. rates are the premove portion of the year is preferable

Step 2: Depending on your cir-cumstances, you can time your ar-rival and take other steps to control whether you are a U.S. tax resident in the first year of your move (as Question 4: What if I bought the well as in subsequent years, in cerhouse through an offshore compa- tain limited cases). You may wish to enter as a resident if U.S. tax Answer: The use of an offshore rates are lower than those in the company to own U.S. real estate is country you are coming from, if fraugh! with danger and is ineffec- you wish to take advantage of the tive as a means of avoiding the 10 extensive treaty oetwork that affects withholding taxes, or simply because your U.S. tax itself may be lower as a resident than as a cooresident because of the graduated

An analysis under Steps I and 2 lization agreement" exists that

THE FUND PERFORMANCE FOCUS



may prompt you to defer your bo-ous to the post-move period and to while in the United States. The idea educe an alternative decision.

Step 3: Examine applicable capital gains tax rules. These levies vary from country to country and the decision to realize gains before or percent) and the type of asset being sold (some countries do not tax certain types of capital gains, such as from the sale of a principal

Step 4: Given the new higher marginal U.S. tax rates, plan with your employer to spread income evenly over the period of U.S. resi-

Step 5: Your employer should determine if a social security "tota-

elect resident status from the date here is to avoid double taxation in of entry; or oumber-crunching may social security and to take advan-

tage of planning opportunities.

Step 6: Examine your employer's retirement plan. Participation in the U.S. company's retirement plan may be possible, but special probafter the move may depend on the lems arise such as when the retireapplicable tax rate (the U.S. rate is ment plan can be paid out to the foreigner and the tax consequ when the account is paid out (if the foreigner is no longer a U.S. resi-

> Slep 7: Many international employers pay or reimburse the additional income taxes related to a foreign assignment. Find oul if your employer does this and how its plan affects your case.

Step 8: Consider making premove irrevocable gifts of high yield noc-U.S. assets to children.

Step 9: Examine existing holdings through offshore companies or discretionary trusts. Transfers of Ouestion 7: 1 am a German living in Germany. My daughter beassets to offshore companies or off-

shore trusts as interim measures

while you are a U.S. resident are

Question 6: I am a Spaniard liv-

ing in Spain. My son fives in the United States and has a green card.

In my will, I bequeath to him an

office building in Madrid, Will there be U.S. inheritance tax on

that bequest?

\$3 million that I wish to give to her now. Will there be U.S. gift tax almost inevitably not effective to avoid U.S. income tax or even U.S. estate tax. The U.S. tax rules in the imposed? offshore area are now nearly loop-hole-proof. The anti-avoidance Answer: As the vineyard is located in the States, the gift is indeed taxable. If you hold it until your rules would apply to existing arrangements as well.

came an American citizen. I own a

vineyard in California worth about

death, it would be subject to U.S. estate tax.
Question 8: What if the property wish to give consists of stocks and securities of U.S. corporations? Answer: There is no U.S. gift tax imposed on nonresident aliens for gifus of stocks or securities.

Answer: No. If you are ool a Mr. Okoshken is a partner at Le-U.S. tax resident or domiciliary, your capital is not subject to U.S. vine & Okoshken, a Paris-based law estate tax. The fact that your son

Herald Eribunc.

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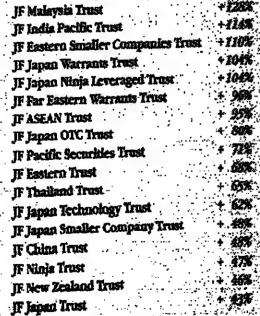
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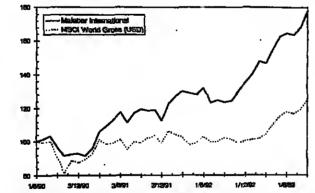


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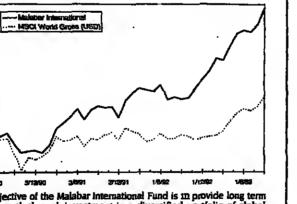


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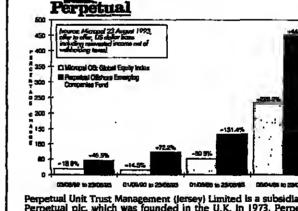
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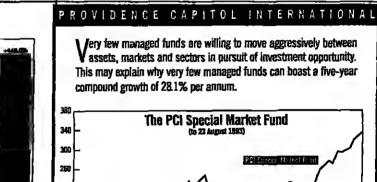
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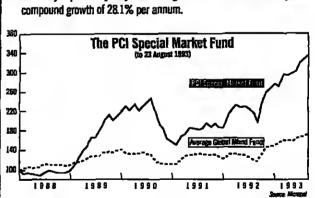
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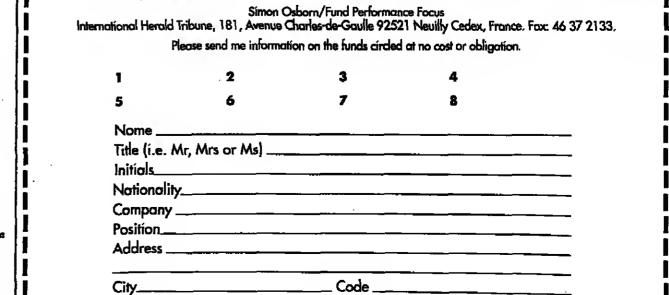


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Cowboys Reach \$13.6 Million Deal With Smith

IRVING, Texas - Emmitt Smith, always difficult to tackle, proved to be just as tough a negoti-

"My mother always told me, 'Don't let anyone run over you," Smith said after signing a four-year deal for \$13.6 million, making him the highest-paid running back in the National Football League.
"I felt I wasn't wanted by the

Dallas Cowboys organization," he added. "The deal should have been done a long time ago."
Owner Jerry Jones called it a

win-win situation. But it was more like lose-lose. Jones, who had said he would

never pay Smith more than Buffalo's Thurman Thomas, admitted be

Smith bung tough and got much more than Jones wanted to pay, including a reported \$4 million signing bonus and 1993 salary of \$3 million. Smith will make \$2.2 million in 1994, \$2.4 million in 1995 and \$2.2 million in 1996.

"I got what I wanted," Smith said. "I wanted to be the highestpaid running back in the NFL But it was the hardest thing for me to do, to sit in the living room and watch my teammates play on television. It was wearing on me and it was wearing on the team."

For Jones, who had hoped to sign Smith for as little as \$9 million and had, more recently, increased his offer to \$11 million, the agreereality. Without Smith, the Cow-boys have simply not been the same team that roared through the 1992 season with a 13-3 record and then crushed the Bills, 52-17, in Super Bowl XXVII.

For Smith, a three-year veteran who led the league in rushing with 1,563 yards in 1991 and 1,713 yards last season, the pact represented the triumph of a proven negotiating strategy devised with his Atlantabased agent, Richard Howell,

Smith, rejecting Jones's blan-dishments that he needed to keep the Cowboy's payroll in check in anticipation of a league-wide salary cap next year, simply refused to accept anything less than top dollar, even if it meant sitting out the entire season.

Smith admitted that "if the team had been 2-0, it's possible that I wouldn't be bere.

Smith said he hoped to be ready to play on Sunday against Phoenix but added: "Derrick Lassic deserves to start. I'm not sure how far I can go. It's possible I could burt the team more than help it." Coach Jimmy Johnson said

Smith may be used sparingly against the Cardinals.
"If Emmitt is available, it will be only on a very limited basis," Johnson said. "He has missed a tremendous amount of work, but should be ready for the Green Bay game on Oct. 3."



Emmitt Smith had reason to smile as the Dallas Cowboys' owner, Jerry Jones, presented him with a reported \$4 million signing bonus.

against Smith, Jones said: "I may have miscalculated, but I've never miscalculated his importance. Emmitt will always be a Cowboy.'

Jones said he would get to work on signing quarterback Troy Aik-man next. Aikman has two years left on his contract, but Jones would like to sign the player so he could front-load the pact with money this year that won't count against the salary cap.

Smith's teammates, Lassic, were jubilant.

Aikman said he thought Smith lanta," Smith said. "I was wonder-

said. "I think everybody realizes replied: "I'm not God almighty.
Emmitt has not practiced with the It's going to take a lot of work and team in quite some time, but he can certainly help us. I hope both sides but we can do it.

can put any ill feelings behind In what turned

other thing. He got his Super Bowl the Cowboys, 35-16, in the season opener, and the Buffalo Bills, who by itself when Jerry arrived in At-

would "get some playing time" on Sunday.

"I'd be willing to bet on that," he back in the winning column, Smith

jelling together. It's a tough climb, In what turned out to be a public negotiation on his contract, Smith Smith also was happy about an- had picked up two key allies, the Washington Redskins, who beat the Cowboys, 35-16, in the season

defeating the Cowboys, 13-10, last

Sunday.

Because of those losses, even Smith's teammates joined the nego-tiations, and hardly on the side of an owner more interested in maintaining the Cowboys' position as the team with the league's lowest payroll rather than its best won-loss record.

"I don't think that Jerry has ever had the majority of support in this locker room," Aikman said on

Giants' Hampton Should Beat the Rams at Their Own Game

New York Times Service

RAMS (1-1) at GIANTS (2-0): KEY STAT: Rams have won five of six from the Giants and three straight in New York, and they lead the series, 21-9; Giants rank No. 2 in the National Football Conference in offense, averaging 371 yards per game.

COMMENT: Having slapped Pittsburgh with its first shutout in 56 games, the Rams enter Giants Stadium with confidence. Their 27-0 victory at home over Pittsburgh provided the team's largest vic-

NFL MATCHUPS

tory margin in 77 games. Jerome Bettis and Cleveland Gary give the Rams a potent I-2 running punch, but Rodney Hampton can single-handedly match their effort. For two teams with a running tradition, the running game provides the difference. Oddamkers have made the Giants 8-point favorites.

BENGALS (0-2) at STEELERS (0-2): KEY STAT: Bengals have been outsacked, 8 to 3; Steelers have won four straight over Bengals and seven straight at home vs.

COMMENT: Pittsburgh bas been soundly kicked in losses to San Francisco and the Rams, and Cincinnati knows the and the Rams, and Cincinnan knows the emphasizing the short pass in hopes of not feeling: It dropped its second game on overburdening Mirer, but it needs to turn three field goals in a 9-6 loss to Indianapo-lis. It has been a rude opening for the Steelers, who entered with high hopes after earning the American Football Conference Central crown last season. Steelers by 8.

fense (183.5 yards per game). Detroit, have won 10 straight at home in regular along with Philadelphia, leads the NFC in season. three receivers having gained 100 yards yards. The Chargers won't let up. Chargers and scored one touchdown; 49ers in two by 3. fewest yards allowed per rushing attempt

Saints. Now he will lead an effort to clamp the Saints' improved offense, which com-piled a club-record 557 yards vs. Atlanta, The good news for Detroit: Its run defense should keep the game close. The Saints should win this game with balance; strong defense, strong special teams and just enough offense. Saints by 51/2.

SEAHAWKS (0-2) at PATRIOTS (0-2): KEY STAT: The Scahawks' rookie quarterback, Rick Mirer, is 34 of 49 for 303 yards, no touchdowns and three interceptions; the Patriots' rookie quarterback, Drew Bledsoe, is 42 of 79 for 387 yards, three touchdowns and two interceptions.

COMMENT: The '93 draft's No. 1 (Bledsoe) and No. 2 (Mirer) picks duel at quarterback in a game where both porous teams get a best shot at an early-season victory. Bledsoe has got the jump on Mirer in opportunity and in production. Seattle is him loose in this matchup. Bledsoe wins Round I of this duel. Patriots by 2.

REDSKINS (1-1) at EAGLES (2-0): KEY STAT: Redskins' Gary Conklin, making his first NFL start, was 16 of 29 for LIONS (2-0) at SAINTS (2-0): KEY 169 yards with one touchdown and one

COMMENT: You can bet that the Eaes' defensive coordinator, Bud Carson, has something cooking to keep the pressure COMMENT: Linebacker Pat Swilling on Conklin for four quarters. Carson was leads the Lions into the Superdome, where outstanding last week in a matchup of wits Swilling used to terrorize offenses for the vs. Green Bay's coach, Mike Holmgren. Seth Joyner leads an Eagles defense that looks as if it can still improve. Eagles have exhibited nice balance on offense, and this

'92 victories over Falcons won by total score of 97-20. COMMENT: The Falcons' offense cootinues to roll up points, but the same old

problems remain with the defense. That was supposed to change with free agent acquisitions, including defensive lineman Pierce Holt, who jumped ship from the 49ers. The 49ers were perplexed and frus-

The Cowboys have struggled on and off the field, but Coach Jimmy Johnson believes his team will turn things around. With the signing of Emmitt Smith, perhaps they have righted themselves for the season.

time Cunningham and the Eagles slip through the cracks. Eagles by 41/2.

BROWNS (2-0) at RAIDERS (2-0); KEY STAT: The Raiders' quarterback, Jeff Hostetler, is completing 68.3 percent of his passes and is providing consistency

Raiders sucking for air. Eric Metcalf of-fered most of the damage, with three touchdown catches and one rushing score in a 28-16 Browns victory. The Raiders seek to even the score with one of their best defensive teams in several years. Raiders

trated Monday night at Cleveland but straighten things ont here. Quarterback Steve Young got most of the blame vs. Cleveland; he will get most of the credit

here. 49ers by 13.

OILERS (1-1) at CHARGERS (1-1): KEY STAT: Oilers running back Lorenzo been decided by four or fewer points. Denand big plays at quarterback.

COMMENT: Last season, Cleveland White has 39 carries, and no other Oiler visited the LA. Coliseum and left the has more than 3; Chargers defense allow-White has 39 carries, and no other Oiler ver (0-1) and Miami (0-3) are the only ing 72.I percent pass-completion percent-

COMMENT: "We've got to do a better time and lead a defense that has allowed job up front in protection," said Warren only 7 of 24 third-down conversions. Moon, the Houston quarterback. "We're Chiefs by 5½. Moon, the Houston quarterback. We led not holding our blocks long enough. We can do better." Moon has been rocked were written by Thomas George of The New York Times. Odds were provided by Har-FALCONS (0-2) at 49ERS (1-1): KEY through two starts vs. New Orleans and STAT: Saints lead league in rushing of interception in loss to Phoenix: Eagles STAT: Falcons are only NFL team with Kansas City, being sacked six times for 48 rah's.

COWBOYS (0-2) at CARDINALS (1-1): KEY STAT: Cowboys receiver Michael Irvin in '92 posted career and league-high 210 yards and 3 touchdown receptions on eight catches vs. Phoenix; Cardinals have opped five straight to Dallas in Phoenix, COMMENT: Phoenix snapped a 14-

game losing streak at Washington last Sunday and seeks to end its skid vs. Dallas. The Cowboys have struggled on and off the field, but Coach Jimmy Johnson believes his team will turn things around. With the signing of Emmitt Smith, perhaps Dallas has righted itself for the season. Cowboys

BRONCOS (2-0) at CHIEFS (1-1): KEY STAT: Broncos feature AFC's No. 2ranked offense, averaging 347.5 yards per game; Chiefs feature AFC's No. 2-ranked defense, allowing 202 yards per game. Marty Schottenheimer is 2-9 vs. Denver.

COMMENT: Joe Montana returns after an injured right wrist kept him out of the Chiefs' 30-0 loss to Houston. Five of the last seven games in this rogged series have teams Montana has not beaten in the regular season. That will change. Watch Chiefs linebacker Derrick Thomas shine in prime time and lead a defense that has allowed

CALVIN AND HOBBES OH NO! I OVERSLEPT!

Gifford Recounts His Whole 10 Yards

By Richard Sandomir New York Times Service

NEW YORK - Frank Gifford never had the itch to write an autobiography, although the adult life of this son of an oil-field worker has been a 40-year string of celebrity: a dozen years with the New York Giants and a seamless move into television capped by 23 years on ABC's, "Monday Night Football." He has never been controversial, but he has:

been famous in New York for an epoch.

Some publishers wanted a tell-all tome that bashed Howard Cosell. who laid waste to Gifford in his memoirs. No. Gifford said. More important was a need to explain his Depression rearing, in which his moved 48 times, and how football vaulted him from Bakersfield. California, to stardom

"My older children had no idea how I grew up," said Gifford, referring to his three oldest children, from his first marriage. "All they knew was Dad on TV, Dad packing to leave, and Dad unpacking when he came back, I wanted them to know why I was motivated to be what I was." Random House went for it and is publishing "The Whole Ten Yards,"

He was partly

prompted to do the

book by Frederick

Exley, whose novel,

"A Fan's Notes,"

mythologized him.

which Gifford wrote with Harry Waters. It holds one distinction in that excerpts are appearing in three magazines; GQ, TV Guide and

magazines: GQ, IV Guide and Good Housekeeping.
In part, Gifford was pushed into pursuing the book by Frederick Exley, the late writer, whose 1968 novel, "A Fan's Notes," mythologized Gifford as a pigskin Thor. He berirended Exley, who had a crush on Gifford's girl friend (and the first of Gifford's three wives) when all three attended Southern Cal.

all three attended Southern Cal. "It wasn't self-analysis," he said of writing the book. "It was fun. Harry and I just enjoyed talking to each other."

Said Waters: "I never met a superstar athlete who so wanted to write." They usually scorn us.

Settling into a Manhattan East Side restaurant, nine hours after the final play of the season-opening "Monday Night Football" Dallas-Washington game, Gifford said be had just read the completed version of the autobiography a week before.
"I got a kick out of it," he said, with his perfect grin. "It was a

Funny thing about Gifford. He's not the greatest sportscaster. He still

makes the occasional gaffe, his style doesn't generate sparks, his voice doesn't resonate and the analytic bluster belongs to Dan Dierdorf. But 29 years into his second full-time career, he's still here, still the mainstay of last season's seventh-ranked prime-time program. His longevity outranks. Al Michaels's by 15 years and Dierdorf's by 16.

Watch Gifford at a social gathering and you see his appeal. He could be a social gathering and you see his appeal.

standing alone, and a growing corps of men and women will surround-him. Giants devotees. "Monday Night Football" fans. Fans of Kathie' Lee Gifford, the talk-show star and his wife of almost seven years.
"I've lived with the appeal," be said. "It's easier to live with it if you've', it is the appeal." lived with it for a long time."

Waters theorizes that Gifford's handsome, easygoing presence doesn't offend viewers or fans.

"Comfort level is much more important than outrageousness," he said. People really trust and like him. The Whole Ten Yards" ambles easily through Gifford's life. There are

the bumpy childhood days, frustrations in acting that didn't get him beyond work as an extra in the 1950s (including a role as Jerry Lewis's stunt kicker in "That's My Boy") and candor about his failings as a husband and father. The engine of the book is the stories from his playing days and New

York City nightlife at a time when America was opening its eyes to professional football. The tales display a Gifford rarely on view: hardpartying, profane, wryly funny, self-deprecating.

 The Giants partying at the Concourse Plaza Hotel, hard by Yankee. Stadium in the Bronx, then piling into the D train downtown for a night-on the town after home games in the 1950s and 1960s. • Sam Huff and other Giant defensive players trying to stiff young:

Jack Kemp on a share of the 1958 post-season money.

"I told Sam he's not going to like this book," Gifford said, "and be said, "What'd you say about me?" • Y. A. Tittle spending three glory years dragging the Giants offense to

a Saturday night home-game ritual of bad spaghetti and meatballs at an Italian restaurant, but revealing his sadness when his eyesight doomed his bullet passes in 1964.

"It was a great time to play,' Gifford said. "Uncomplicated. Twelve teams. The players didn't jump from one franchise to another."

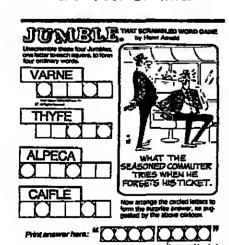
Those looking for revelations about "Monday Night Football" will be, disappointed. His stories are lively and the Cosell tales are designed to explain the latter's complexity, not main him. "I'm sad that he's ill now," he said. "It was difficult to watch him turn on everybody around him? Whether or not it traces back to those he deems know-nothings who

covered the Giants early in his career, Gifford, in his book, decries the negative tone of sports coverage. At one point, he says that if he fumbled twice in the 1993 Super Bowl, as he did in the 1998 title game against Baltimore, "there would have been 15,000 keyboard assassins in attendance and every one of them would have drawn my blood." He smiled, incongruously, at the line.

DENNIS THE MENACE



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SECRECATION OF HIS CAMPUS



I THINK WE'RE SUPPOSED

"SLEEPY RIVER"

THE HIGHLY CONTROVERSIA SHIFT IN UNIVERSITY POLICY

NAS BROUGHT ABOUT BY PRESIDENT KINGS DESIRE TO GND "ETHNIC GNCLANES"

TO TAKE THIS BRANCH





CKAY THEN, I'LL HAVE EGGS

I WONDER WHY THEY CALL THE OTHER BRANCH

NOST EDUCATIONAL EXPERTS AGREE, HOWEVER, THAT HOWEVER WELL-INTENDES,

PRESIDENT KING MILL FACE GRAVE DIFFICULTIES TRYING TO ACTUALLY IMPLEMENT





OKAY, OKAY, **BREAK** IT UP! I'M DESERBESATING THIS TABLE!





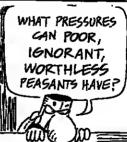






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144 ay 114 a







SPORTS BASEBALL

e 1() Yard Long Fly Falls Short For Yanks

What could have been a grand night for Mike Stanley and the New York Yankees instead became 2 discouraging loss. Stanley, tied for the major league

lead with three grand slams, came bee to another one io the eighth fining Thursday night in New York oo a fly ball that was caught in deep right field by Rob Deer. Stanley got one more chance in the ninth, but struck out with the

AL ROUNDUP

we to that the

remoted today.

Minn's Name

bases loaded to end the game, a 6-4 loss to the Boston Red Sox. The Yankees lost for the seventh time in 10 games and fell into a second-place tie in the American League East with Baltimore, three League East with Dantinois, and games hehiod Torooto. New games hehiod is its biggest since

the Productive line Aug. 3.
The Red Sox rushed to a 5-1 lead gainst Scott Kamieniecki despite failing to score twice with the bases loaded. Kamieniecki had been 12-0

at home since losing to Boston on the last out and his eighth save. The Yankees loaded the bases with two outs in the ninth after a walk to Danny Tartabull, and Harris got Stanley to chase a 2-2 curve ball. Stanley nearly tied it in the eighth. The Yankees, who fell be-

hind Frank Viola early, made it 6-2 in the seventh oo Randy Velarde's single off Scott Bankhead. A single and two walks loaded the bases with oo outs in the eighth. Stanley went the opposite way

on a 3-2 pitch from Ken Ryan, lofting a long drive to right field that hrought Yankees players rushing out of the dugout with their soms raised.

"I was hoping it would go out," Stanley said. "Some days that ball will go out. Today wasn't one of Deer ran back and jumped at the

fence, making the catch below the top of the wall just before he crashed ioto it.

. "We were playing him deep, just so he wouldn't hit it over our heads," Deer said. "You could kind of tell be had an idea to hit it to

"As I went back, I didn't know where I was," he said. "I had to turn around to get my bearings on where I was to the wall. I just leaned. But there was no way it was going to stay in the park and me not catch the ball, I can guarantee

Mariners 14, Royals 1: Randy Johnsoo came within five outs of his second career oo-hitter before Brian McRae doubled in the eighth inning as Seattle routed visiting

Kansas City. Johnson struck out 15 to extend his major-league-leading total to 277. He walked six and hit a batter in his bid to duplicate his only cureer no-hitter, a 2-0 wio June 2, 150, against Detroit in Scattle.

James Leads Lancôme by a Stroke

the Americans oext week, fired a four-under par 66.

Aglishman, Peter Mitchell, who is not on the cup team.

Venables Denies BBC TV Charges

ST NOM LA BRETECHE, France (Reuters) - Mark James of Britain

Four members of the team were in the top six. James, who is rediscov-

ering his form in the last event before be helps Europe's cup challenge to

The 39-year-old Englishman had a nine-under-par total of 131 to lead David Feherty of Ireland by a stroke. Feherty shot a sizzling 63, the best

score in the first two rounds. James's fellow English Ryder Cup teammate Peter Baker carded a 67 to hold a share of third place at 133 with another

LONDON (AP) — The former chief executive of the Tottenham soccer asoccer club, Terry Venables, consulted his lawyers Friday about broadcast allegations that be had unlawfully raised £1 million (\$1.53 million) for a share deal when he and Alan Sugar took over the team in 1991. Venables, who was fired from his post at the north London soccer club by Sugar, the chib's chairman, this summer, denied the charges made in the British Broadcasting Corp.'s current affairs program "Panorama." The program accused Venables of using one of his former companies, Transatiantic lnns, to raise money without the knowledge of its former directors. It said that two months after Venables resigned as a director of Transatiantic, he used its assets in a sale-and-leaseback deal with another company, Landhurst Leasing. It alleged that the assets were the fixtures

company, Landhurst Leasing. It alleged that the assets were the fixtures

and fittings of three pubs leased by Transatlantic from various brewers

and another puh. Panorama said the money went not to Transatlantic

but into Venables's private company, Edennote, and that a short time later, Edennote paid £800,000 of the money to Tottenham as part of

Radio Pirates Oppose Berlin Bid

BERLIN (Reuters) — Radio pirates opposed to Berlin's bid to hold the 2000 Olympics have jammed a local station that strongly backs the effort and broadcast anti-Games propaganda, the station said on Friday. Stelan Westendorp, editor in chief of Radio 100.6, said the pirates had Stelan Westendorp, editor in chief of Radio 100.6, said the pirates had stelan throad days briefly overriding the station's pro-

struck three times in the last two days, briefly overriding the station's pro-Clympics program with harsh attacks on the city's bid. Beamed from a

Powerful mobile transmitter, the message has been heard by hundreds of

The broadcast said, in part: "Without us! No Olympic City, We're against the continuation of the 1936 Olympics in 2000. Fight facism and

Posin." The pirate broadcasts, which the station said were illegal and

Venables's £3 million share deal with Sugar to take over the club.

took a one-stroke lead as Europe's Ryder Cup players maintained strong positions after two rounds of the Lancôme Trophy golf tournament on

SIDELINES



Dave Winfield swinging for the record books: His single off Dennis Eckersley was ' . 5,000.

AMERICAN LEAGUE

Winfield Enters 3,000-Hit Club

MINNEAPOLIS - Dave Winfield stood on first base, a smile so big you could see the cracks in the fillings of his molars. His arms were raised so high, they seemed inches from the Metrodome ceiling. His heart was pumping like the flap-ping of a hummingbird's wings. Winfield had just become the

19th player to record 3,000 hits. and he was soaking up the cheers and respect and adulation. He was the man.

The 3,000th came Thursday night, a ninth-inning single off Oakland's Dennis Eckersley, perhaps the best reliever ever, and it helped the Minnesota Twins tie a game they would eventually win, 5-4, in 13 in-

After his historic hit put him in the company of some of the greatest names baseball has ever known, his teammates stood in the third-base dogout, clapping and shouting. The extra pitchers were doing the same as in the bullpen.

Should they rush onto the field and exchange high-fives and hugs with the Hall-of-Famer-to-be, even as the crum-bled cups and paper airplanes fell to the Metrodome field, even as Eckersley tried to compose himself by taking a few warmupnes amid the may-

No. It was Winfield's moment. The crowning moment in a career filled with great ones. And there was still a game to be won; Winfield's hit had only cut the Athletics' lead to 2-1. Wiofield, 41, fighting of the season, certainly enjoyed seeing No. 3,000 find its way between shortstop Mike Bordick and third baseman Craig

Still, he said, "It was unusual to be out there myself and to hask in it."

The Twins then tied the score, on Scott Stahoviak's twoout single. Then they won it when Chip Hale capped a threerun, 13th-inning rally with a single off Roger Smithberg.

There have been a lot of emotions running through me," Winfield said. "We haven't had a lot of success as a team." The drive for 3,000 "creeped in as the focus of what we were

doing," he said, adding, "I feel the weight of the world is off The Twins are 62-85. And Winfield has contributed to their woes. He's having one of his worst seasons, batting .262 with 21 homers and 70 RBIs.

But on Thursday at the Metrodome, the Twins were winners. And Winfield was the man. "Someday, when I'm finished playing," he said, "I'll look back and say this was incredi-

ble, a great, great moment."
In September, Robin Yount of Milwaukee and George Brett of Kansas City also reached 3,000. Pete Rose, banned from baseball for gambling, along with the still-active Yount and Brett, are the only members of the 3,000-hit clob not in the

Hall of Fame, "It was just meant to be. If it wasn't me, it would've been somebody else," said Eckersley.

Atlanta Grabs Victory in 12th To Keep Rolling

Two dramatic late-inning vic-

tories are not what Jeff Blauser had in mind for the torrid Atlanta Braves, but he is oot complaining. Blauser, given a second chance, came through with an infield single in the 12th inning Thursday night, knocking in the run that gave the

NL ROUNDUP

Braves a 3-2 victory over Cincinoati and a three-game sweep of the Reds in Atlanta.

The Braves, who have won 8 of 9 and 29 of 35 games, moved four games ahead of idle San Francisco in the National League West race. Atlanta has 15 games remaining and the Giants, who are in an eight-game losing streak, have 17 left. On Wednesday night, the Braves scored five runs in the ninth inning capped by Ron Gant's three-run

homer — to beat the Reds 7-6.
"It would be a nice feeling to have the game won earlier."
Blauser said. "You just don't want to get in the habit of winning at the end. It takes a lot out of you, and we sure could use a rest."

The Braves have the best record in baseball at 94-53. Atlanta trailed and there's no question the last two should've been ours," Cincinnati manager Davey Johnson said.

The Reds went ahead 2-1 when Jacob Brumfield led off the ninth with his sixth homer of the season

the inning to tie it. "Give Justice credit," Johnson said. "Championship teams come

through in the clutch in the late innings, and Justice and Blauser Gant drove in Atlanta's first run

with a sacrifice fly in the fourth inning. It was his 16th RBI in five games. He also had a grand slam in Atlanta's 10-3 win Tuesday night. Cincinnati first baseman Hal

Morris made a diving stab over the line of Blauser's winning hit with two outs and the bases loaded, but pitcher Scott Service (2-2) was late in covering and Bill Pecota scored

the winning run.
Expos 4, Cardinals 3: In St. Louis, Montreal won its 17th game in the last 19 to move within five games of first-place Philadelphia in the National League East.

The victory was tempered for the Expos by the loss of outfielder Moises Alou, who dislocated his left ankle running the bases in the seventh and had to be carried from

Pirates 10, Marlins 0: John Hope and three Pittsburgh relievers combined on a three-hitter as Florida was swept at home for the first the Giants by 10 games on July 22. time. Hope went four hitless in-"We gave them a beck of a series, nings but had to leave the game with severe leg cramps after his bunt single in the fifth.

Rockies 6, Astros 3: Colorado completed a four-game sweep of Houstoo and woo its seventh straight at home when Jerald and third in four games.

Clark's three-run homer completed a four-run eighth and broke a tie.

Baseball Is Realigning? Better to Open Trap Door

By George Vecsey
New York Times Service

TEW YORK - The most popular game in town the last 24 hours has been speculating how baseball would look if this were 1994 and the new realignment had already taken

We've all taken out our little slide rales and deduced that the current Yankee se-

Vantage

Point

ries with the Red Sox would be of huge importance in the brave new

world a-coming. The Yankees and the Orioles would be oeck and neck for the wild-card spot in the playoffs. That would be good because it would mean that this decent, hard-working, overachieving Yankees team would have a very good shot at the first round of the playoffs, and

that would keep that choke artist owner, that panicking, noguts pantywaist, quiet for the moment. And here's a oote to my office: don't you dare stick his photo in my column, either. I'm sick of his double-chin, pullthe-wings-off-flies glare. Run Buck's picture. Run Gallego's. Run Tartabuil's. Guy has 30 homers and the owner dumps

Now, where was I? Oh, yes. We were playing mind games about mediocre teams like St. Louis and Texas suddenly

divisions in each league. But as long as we're tinkering with the way baseball works, let's go all the way.

Instead of merely rewarding competency, let's take on incompetence. There must be a penalty for being as bad as the New York Mets. The other night, this clever new television feller named Letterman, who is keeping me up past my beddime, proposed that the Mets play in the Broadway Show League octt year. It was a funny line, although my thinking is that theater people are too nice for the likes of the Mets.

Besides, I had already made my modest proposal last month that the Mets be relegated to the minor leagues. I included it in a column about Italian soccer, and how the proud fans from Florence have had to endure a one-year anishment of Fiorentina to Series B. This is a wonderful device, this relegation. Every year the bottom four teams in Italy are lopped right out of Series A. One year they're playing in Rome and Milan, the next year they're playing in Pescara and Acircale. And it serves them right. So here's what I propose. Next year, while baseball is

reinventing itself, trying to be like those wild-card sports, it should also study world soccer. Three teams have got to go. Going into Thursday, those three teams moved be Oakland, San Diego and the Mets. In each case, they would be getting exactly what they deserve. Oakland might have thought twice about trading Rickey Henderson if it wanted to avoid a trip to the minors. San Diego might out have been about mediocre teams like St. Louis and Texas suddenly shipping Fred McGriff to Atlanta, handing them the divi-becoming division winners by virtue of opening up three sion title, if it had to consider a year in the boonies.

In the meantime, what a wonderful new start for baseball. Three teams from the minors would be moved up. lowa won the American Association. Theson won the Pacific Coast League. And just Wednesday night, Charlotte beat Rochester, 6-1, for the Governors Cup, the championship of the International League. Sam Horn, the bulky first baseman who has had a couple of shots with Boston and Baltimore, hit a three-run homer for Charlotte.

Imagine if that final game had been for a slot in the majors next year? Everybody would have been watching it. They could have relegation all through the minor leagues.

There'd be a few wrinkles to work out because these franchises are farm teams, but the goal is to reward winning teams and winning cities. If you start relegation, the three upgraded teams would have the right to use their new-found money to buy free agents. They could probably be competithey'd surely be able to bring some of their best players up to the big show. Bring back Sam Horn and let Bret (the Sneak of Flushing) Saberhagen work out his hleach-spraying im-

pulses in the lower depths. And here's a final scenario: If we had had relegation in 1990, you know who would have been dumped? Atlanta, St. Louis and the Yankees. Now that would have been a sight, watching that pompous bully suffering as his team was relegated. But the Yankees fought their way back, showing more character than the owner. Maybe we could just relegate owners who spit the bit in the heat of a pennant race.

Kone County, ML; and Juan Bustobad ex tended spring iraking director and manage of Gulf Coast, GCL.

BASKETBALL National Buskethell Association NBA—Suspended Richard Dumas, Phoer Suns forward, Indefinitely after he tested or tive for banned substance and refused to a

FOOTBALL

MINNESOTA-Fired Jock Burns, offen-tive coordinator. Named Brian Billick offen-

FOOTBALL

SOCCER

Major College Scores

1ST ROUND, 1ST LEG MATCHES

EUROPEAN CUP WINNERS' CUP

CHINA: Boycott Not Ruled Out

Continued from Page 1

group of U.S. business contacts with commercial interests in China. "This was suggested by some in-ternational business friends of China who cherish the Olympic movement and spirit," he said.

"They said that if Beijing did not get the Games it would be because of interference in the process and we would have a reason to say so." he added.

Mr. Zhang confirmed that he had raised the possibility of a boycott in a television interview with Australia's Special Broadcasting

The interview, conducted Aug. 1. Was scheduled to be broadcast Saturday. A transcript was made available Friday.

But he added, "I said very clearly to the Australian crew that this only represented my personal view-

In the interview, Mr. Zhang said: The American people are very good to us. It's their Congress that

is stupid. If Congress can pass a resolution objecting to our bid for the 2000 Olympics, we could, frankly, boycott their Atlanta Games in 1996."
"If our bid fails," he added, "we

could write to Congress to protest about their interference and justifying our revenge."
Chinese officials have previously

attacked the U.S. initiatives as political interference, but Mr. Zhang was the first to publicly speak of a possible retaliatory boycott.
Beijing bid officials, asked about
Mr. Zhang's comments, declined to

rule out an Atlanta boycott.

Wu Zhongyuan, vice president of the Chinese Olympic Committee and a spokesman for the Beijing bid, called the U.S. moves "inter-

ference in the principles of the IOC charter and the legitimate rights and interests of the Chinese peo-"This has aroused indignation of the Chinese people, including Zhang Baifa," he said. "The Chi-

nese Olympic Committee has not yet studied the question of participation in the Atlanta Olympic

The Chinese Olympic Commit-tee has always respected and supported the purpose of the Olympic movement," Mr. Wu said. "The committee will support all efforts

that will contribute to the Olympie

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The 1OC's director-geoeral, François Carrard, played down the boycott threat. "I think we must take this with

great care," he said. "To me, it is oot conceivable that any national Olympic committee behind any candidate city would formally cootemplate any form of boycott of the Games. I am not concerned. I think it is most unlikely it would hap-

Bob Brennan, a spokesman for the Atlanta organizing committee, said, "We've always said that politics have no place in the Olympic

China has released three political apparent attempt to deflect criticism of its human-rights record before the IOC vote.

The European Parliament adopted a resolution this week condemning China's policy on Tibet and saying that the Olympics should oot be held in Beijing unless significant progress is made in ensuring respect for human rights by the Chinese regime." (AP, Reuters)

KARRING CARRE

do le manie

■ Journalist Is Freed

China announced Friday the release of Wu Xuecan, a dissident journalist, who became the third political prisoner freed this week Agence France-Presse reported from Beijing. Mr. Wu, a former editor of the

Communist Party newspaper, People's Daily, was released from Beijing No. I Prison early Thursday, the Justice Ministry said, exactly one week before the IOC vote. His prison term was due to end in De-

Mr. Wu, 42, was imprisooed for four years for printing an unautho-rized special edition of the newspaper during the 1989 Tiananmen Square protests. The paper opposed martial law and called on Premier Li Peng to step down. It also supported Zhao Ziyang, the party leader later ousted for supporting the demonstrations. In an interview at his home. Mr. Wu said that he was in "very poor"

health after spending two and a half years of his sentence in solitary confinement and insisted that he had been wrongly sentenced. "I

But he added that he hoped Beijing would be host to the Olympics despite what he called his "inhumane" treatment in prison.

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land coach, from 5 games to 3 after reviewing their involvement in browl during game played Aus. 24.

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CHICAGO WHITE SOX—Reacted Rad Botton and Scott Ruffcorn, pitchers, from Nashville, AA. Bought contracts of Curis Howard, pitcher; Drew Denson, designated hitter; and Norberto Martin, Infielder, from Nashville, Laver Carlot Carl

Notional League

NL—Reduced suspensions of Al Martin,
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and Turk Wendell, pitchers; Matt Walback catcher; and Tommy Shields and Doug Jen-

ders, from lows, AA. Bought con

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Sv—Holmes (23). HR—Colorado, J. Clork (11).
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(13), Klink (7), Lawis (7) and Notal, W—Ballard, 3-1. L—Weethers, 2-1.

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bury, 17-9. Sv—Melteland (38). HRs—Mon-treot, Wolfer (27). St. Louis, Whiten (25). Cinclassiti 988 801 801 801—9 19 7 Atlastia 988 188 801 807—3 19 1 (12 Insiless) Luebbers, Spradlin (8), Powelf (10), Ruskin (13), Service (12) and Offver, Wilson (10); Smoltz, McAllchoel (10), Bedroslan (12) and Ohion, Berrythill (9). W-Bedroslan, 4-2. L—Service, 2-2. HRS—Cinclastit, Bruszlieki (6), Atlantia, Justice (27).

Japanese Leagues

Boston 316 911 886—6 14 9
New York 611 881 128—4 9 1
Violo, Bonkhead (6), Fossos (7), Ryon (8),
Horris (8) and Pene, Metrin (9), Komleniecki,
Howe (5), Assemmacher (8), Forr (9) and
Stanley, W—Violo, 11-8, L—Komleniecki, F-6, Yakuit 2, Yamiuri 1

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For the Record Pete Sampras, the first American win Wimbledon and the U.S. open io the same year since John AcEnroe in 1984, fell to Andre Agassi, 6-3, 6-4, in an exhibition in Phoenix on Thursday. (AP)

Bok Petrovic, 27, a Slovene who you the 1985-86 World Cup overall thing title, died in a diving accident in the Adriatic on Thursday.

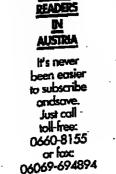
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TO OUR

DAVE BARRY

The Boss Wordsmith

M LAMI — Once again it is time for "Ask Mister Language Person," the column whose mono is: "People Judge You by the Words You Use. So Use Words That Nobody Really Understands, Such as 'Parameter.'

Today, as is our custom, we shall start with our first question:

Q. I have noted that the slang expression "cool" is being used once again by young people. Is this

A. Yes. Mister Language Person approves of any language trend that makes him feel like a "hep cat," so he is pleased to hear young people bringing back "lingo" from the days when be was Mister Language Teenager and the Earth's crust was still warm. Mister Language Person would like to see the return of other expressions from his youth, such as "in the groove," "shake your booty" and "boss."

Q. What does "boss" mean? A. It means "cool," as in these

"Duane got a boss carburetor." "Michelangelo painted some boss frescoes."

Q. Was "Michelangelo" his first name or his last name? A. Neither. It was just his fresco name. His full legal name, on his

driver's license, was "Vito." Q. Can you describe the contents of a "Dear Abby" column published in the March 26, 1992, Boston Herald and sent in by alert reader Chip

A. Yes. This column contains a letter from a man who is upset because he has discovered that his wife has a hidden collection of pornographic books. The man states: "I came upon them accideotally."

Q. Do you think any newspapers will actually print the preceding

A. It will be a test of just how low the nation's journalism standards have sunk.

Q. According to a KRT News Wire article on sexual haras in Washington, sent in by alert reader David Travis, what allegation did a female congressional staff person make about a male lobbyist?

A. The article states that the lobbyist "felt free to pinch her buttocks in the reception area."

Q. Where is that located? A. Just below the vestibule. It is extremely sensitive,

Q. Regarding the old spiritual: Why would a person "jump down" and then "turn around" before picking a bale of cotton? A. This involved a union con-

Q. Do the instructions for the Batman costume set manufactured by Kenner Products contain important consumer safety information? A. Yes. These instructions, sent in by alert reader Maria Reed, state: "CAUTION: Cape does not enable user to fly."

Q. What DOES the cape enable

A. It enables the user to leap from one tall building to another. A user wishing to actually FLY should purchase the Kenner Products Superman cape.

Q. Please quote from an official marker erected in Plum Lake, Wisconsin, to commemorate "The First Lighted Softball Park in the Far

A. According to a photograph sent in hy alert readers Dick and Margie Kussman, this marker, after praising the accomplishments of Plum Lake's champion softball teams, states: "WE HAIL WHAT RADIATION HAS WROUGHT WHAT WE HAVE TODAY."

A. Yes. The marker also states: TRAVEL AROUND AND SEE THE VAST LEGEND OF OUR COMMUNITY. ENJOY RELAX-ING IN THE FUN OF THE HOMELAND OF WHICH WE ARE PROUD."

Q. Probably it would be a good idea not to get out of the car. A. Yes.

O. What was the cause of a September 1992 airliner crash in Kat-

randu, Nepal? A. An Associated Press report at the time stated: "Airline sources said a Pakistani jet that plowed into a hillside may have been flying too

Q. It certainly pays to have airline

A. Yes, and that is why we journalists will go to jail to protect their secret identities.

GOT A QUESTION FOR MIS-TER LANGUAGE PERSON? He is not in at the moment.

Knight-Ridder Newspapers

INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, SEPTEMBER 18-19, 1993

The English Novel: Read All About It

By Katherine Knorr International Herald Tribune THE London literary season has start-

ed with all its bombast and gossip. and everyone is awaiting the announcement next Wednesday of the Booker Prize short list, which will no doubt be greeted with the usual outrage and raise the usual questions about the health of the English novel. Thousands of novels are published in English every year, some of them very good, and yet very few of them are read. What's the point of a novel anymore? Leaving aside books we read to get through long flights, it seems that keeping up with the cultural zeitgeist is the only reason most people do read novels any-more. The publishing companies' hype promotes that: Read the latest most shocking, most dirty, most decadent true tale of late 20th-century man.

You've read about these kinds of people in magazines, now here's the novel, the same but kinkier. Here are women's lives, as they really are, here's gay life up close and personal, the '80s at their worst, how-I-came-of-age after all the fun was over.

your own portable docu-drama Here are fresh new voices, bold new visions, the words of a dispossessed generation. And so on. And these are the "liter-

D. J. Taylor is a young (33) British critic and novelist who came out charging in 1989 in "A Vain Conceit," a look at British novels in the 1980s, many of which he declared awful. It was an interesting book, pleasantly written and not academic, with a quirky but defendable selection of writers on view. He's back with "After the War, The Novel and English Society Since 1945" (Chatto & Windus), an attempt to sum up the life of the British novel in the last 50 years.

"Sooner or later, though, anyone seri-ously interested in modern fiction will be forced to confront an inquiry which is more or less unanswerable: Why devote so much attention to an art form that nearly everybody admits is in a wretched state, and in which large numbers of intelligent people have lost interest?" Taylor writes (one of the reasons he pays attention, of course, is that he is paid to do so, as a regular reviewer for The Independent and

the Sunday Times). Reading this book can make you grateful you haven't had to read all these stories, sit in at all these right-minded dinner

What all this reading has done for Tay-lor is confirm him in his first love: "It's obvious to me that the novels we read and write today are so obviously inferior to the great novels of the 19th century," he said by telephone from London.



Although Taylor's book doesn't live up to its title, because he leaves out a lot of writers who can't be left out of a comprehensive look at postwar British fiction, he is on to something that plagues literature in the postmodern (or whatever you want to label it) age: The wider reading public wants a story with real people. The avantgarde, such as it is, keeps on trying to shock a bourgeois who can't be shocked since he doesn't read novels. In between is a vast group of writers, most of whom are ignored or underrated by critics, and un-publicized by their publishers.

The book jacket on "After the War" pushes its controversial aspects, and some of its British reviewers have gone along, rightly criticizing the narrowness of Tay-lor's book list, but wrongly criticizing the

Taylor's view of the London-centered, eliquish world of English letters isn't really particularly surprising. Even people who say it's silly to say the English novel is in terrible trouble basically find that on the whole what they see published is pretty dull, especially when it's meant to be

Publishers pretend to believe they're pushing back the frontiers of the known world, when they're simply competing for the hot new writing personality who will

interest the chattering class magazines. In the United States, there was the brat pack, a Studio 54 version of a literary movement. In England, it's the "slick, urban psychosis novel," as Taylor puts it, of which Martin Amis is the master ("Lon-don Fields") and Will Self the up-andcomer ("My Idea of Fun").

Tom Wolfe set off a bierary storm in the United States in 1989 when he said, essentially, that modern novelists weren't doing their job of reporting on the world around them, and that he had had to do it for them, in "The Bonfire of the Vanitles."

The basic problem is the same everywhere: Just what is a novel supposed to do? What makes the novel more than journatism or sociology?"

Arguments about literary form and content are as old as language, of course, but there is a certain desperation today after waves of Experiment for Experiment's Sake, and the scorebed earth policy of Deconstructionist university English de-

Taylor's focus is on the parallels between the decline of Britain as a world power - "England's postwar subservience to America" - and the decline of its literature. Anthony Burgess, among others, long ago identified the shrinking horizons of Britain as a hrake on literary

As the decades go by, Taylor's novelists confront a basic issue — What is Englishness — and a secondary issue, as Thatcherism comes on the scene - the class system after the class system.

At the same time, many of the stock plots of earlier novels, girl meets boy and girl takes boy from other girl, have been made irrelevant.

"Adultery might have meant something to, and meant something to a novel about. a 'New Woman' of the 1890s entombed in a loveless marriage with a sniffy little bore: To a thrice-married advertising executive hot in pursuit of 'sexual fluency' it seems pretty small beer," Taylor writes.

Taylor, who is particularly fond of the regional, working-class novels of the late '50s and early '60s (by Alan Sillitoe and Sid Chaplin, among others) and seeks, fairly convincingly, to rehabilitate their reputations, would like to see "the '90s equivalent of what people were writing in the '50s" — "novels that actually engage things that are happening."

What he's found, not surprisingly, is that the sense of optimism that informed a lot of the earlier books isn't there any-

Just as Victorian novels were written in an atmosphere of British confidence that is now gone, the '50s and '60s books showed a (naive) confidence in progressive virtues that has disappeared.

Taylor, who comes from Norwich and has a day job in the City writing speeches for the accountancy firm of Ernst & Young, hopes the English novel will leave London and find real people out there in the rest of England (his own two novels take place mostly outside the capital). "There is an enormous audience for novels," he said. "People are interested in

the old-fashioned virtues. They want narrative, they want to read about people."
What the English-language novel has done, of course, is to leave London and find wider horizons both in America and, as the Booker Prize in recent years has

shown, in the Commonwealth. This year, one of the strongest books published in English, and a contender for the short list, is "A Suitable Boy," a nearly 1.400 page book constructed in some ways like a 19th-century novel hy the Indian writer Vikram Seth.

WEEKEND DESTINATIONS

PEOPLE

Houston's Love Song Sets Them Fighting

They're again coming to blows in Britain over Whitney Houston's "I will always love you." Joan Hall 31, threw her ocighbor's stereo set out a fourth-floor window and then was set upon by the aggrieved owncr. Julie Wootford, whose son, Ja-son, was the Whitney fan. "I had just had enough of the noise." Hall told a London court, where Woot-

Just three months after winning the Tony Award for his portrayal of Molina, the gay window dresses in "Kiss of the Contract of Brent Carrier has decided not to renew his contract and to return home to Canada home to Canada.

A hrush fire in the fulls around fill Valley, north of San France, has gutted the Mill Valley, north of San Francisco, has gutted the million-dollar home of rock singer Grace Slick.

Josef and Marketa Mclen, bath 20, came up with a novel way to spend their honeymoon — in a Prague department store window "room," And they beat out 30 other hopeful couples in a contest to spend 14 days of their honeymoon in the room without leaving it. The prize: the \$7,000 worth of furniture

Heidi Fleiss, the so-called Hollywood madam, is getting into a new business line: "very sery" sleep-wear. In a telephone conversations with the talk show host Joan Riv ers, Fleiss said she's been working on designs for the past 10 months. "Every woman will feel good sleep-ing in them." Fleiss said. "Well, if there's anyone who knows what men like to see women sleep in, it would be you." Rivers replied.

The Berlin city parliament has voted, 134-53, to close the Schiller-Theater, touching off a last-minute but fruitless protest by 200 actors and stage workers. "There will be some more spontaneous protests, but there is little more that can be Martina Oswald, a theater official,

INTERNATIONAL CLASSIFIED Appears on Pages 4 & 7

WEATHER Forecast for Sunday through Tuesday, as provided by Accu-Weather. Today Tomorrow Wigh Low W Africa Asia Hot weather will continue over east contral China early next week. A dry, cool eit mass will overspread Beiging and Segul. Central and North America Much of the Western and Gentral United States will have seasonable weather st-central China early sets. A dry, cool eir oil overspread Belling

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